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PURCHASE AGREEMENT

by and between

GUY GANNETT COMMUNICATIONS

and

SINCLAIR COMMUNICATIONS, INC.

Dated as of September 4, 1998

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Exhibits

Exhibit A	Bill of Sale, Assignment and Assumption Agreement
Exhibit B	Adjustment Escrow Agreement
Exhibit C	Security Escrow Agreement
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Exhibit F-1	Sharing Agreement
Exhibit F-2	Sublease Agreement

PURCHASE AGREEMENT

This PURCHASE AGREEMENT (this "Agreement") made as of September 4, 1998 by and between GUY GANNETT COMMUNICATIONS, a Maine corporation (the "Company") and SINCLAIR COMMUNICATIONS, INC., a Maryland corporation (together with its successors and permitted assigns, "Purchaser").

W I T N E S S E T H :

WHEREAS, the Company owns or leases the assets used in connection with the Company's broadcast television business and the operation of the Stations (as hereinafter defined);

WHEREAS, the Company desires to sell, assign and transfer to Purchaser the assets and business of the Business (as hereinafter defined) as described below, and Purchaser desires to purchase and acquire the assets and business of the Business as described below, on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the Board of Directors and stockholders of the Company have approved the execution, delivery and performance of this Agreement by the Company and the Board of Directors of Purchaser has approved the execution, delivery and performance of this Agreement by Purchaser.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties, intending legally to be bound, agree as follows:

[A list of defined terms is provided in Article 9 hereof]

Article 1. Sale of Assets; Assumption of Liabilities.

1.1 Assets to Be Acquired. Upon the terms and subject to the satisfaction of the conditions set forth herein, at the Closing, the Company shall sell, convey, assign, transfer and deliver to Purchaser, and Purchaser shall purchase, acquire, accept and pay for, all of the Company's right, title and interest in and to all of the real, personal and mixed properties, assets and other rights, both tangible and intangible, (other than the Excluded Assets) owned or leased by, or licensed to or used or useful by, the Company on the Closing Date in connection with the Business (collectively, the "Assets").

Without limiting the generality of the foregoing, the Assets shall include the following:

- (a) the FCC Licenses;
- (b) the Equipment;

(c) all translators, earth stations and other auxiliary facilities, and all applications therefor, owned, leased or otherwise used or useful by the Company in connection with the Business;

(d) the Real Property and Leased Property as set forth in Section 1.1(d) of the Disclosure Schedule;

(e) all orders and agreements for the sale of advertising time on the Stations for cash, and all trade, barter and similar agreements, excluding Program Contracts (which are provided for below), for the sale of advertising time on the Stations for any property or services in lieu of or in addition to cash, and any other orders and agreements entered into (other than in violation of this Agreement) between the date hereof and the Closing Date;

(f) all film and program licenses and contracts under which the Company has the right to broadcast film product or programs on the Stations ("Program Contracts"), including all cash and non-cash (barter) program contracts and including, without limitation, the Program Contracts set forth in Section 3.10 of the Disclosure Schedule and any other Program Contracts entered into (other than in violation of this Agreement) between the date hereof and the Closing Date;

(g) all other contracts and agreements related to the Business, including, without limitation, network affiliation agreements, all employment contracts entered into with television talent and other Business Employees, all collective bargaining agreements with respect to any Business Employees, any time brokerage agreements and all national or local advertising representation agreements for the Stations, without limitation, the contracts and agreements set forth in Section 3.10 of the Disclosure Schedule, and any other such contracts and agreements entered into (other than in violation of this Agreement) between the date hereof and the Closing Date;

(h) the Intellectual Property, including, without limitation, the Call Letters;

(i) all programs and programming materials owned by the Company and used in connection with the Business, whether recorded on tape or any other media or intended for live performance, and whether completed or in production, and all related common law and statutory copyrights owned by or licensed to the Company and used in connection with the Business;

(j) all FCC logs and other records that relate to the operation of the Stations;

(k) except as set forth in Section 1.2(a) hereof, all files, books and other records of the Company relating to the Business, including, without limitation, written technical information, data, specifications, research and development information, engineering, drawings, manuals, computer programs, tapes and software relating directly to the Business, other than duplicate copies of account books of original entry

and duplicate copies of such files and records, if any, that are maintained at the corporate offices of the Company for tax and accounting purposes;

(l) all of the Company's goodwill in, and "going concern" value of, the Business;

(m) all accounts, notes and accounts receivable of the Business relating to or arising out of the business and operations of the Stations immediately preceding the Closing;

(n) all deposits, reserves and prepaid expenses of the Business (other than those relating to Excluded Assets or Liabilities that are not Assumed Liabilities);

(o) to the extent transferable under applicable law, all franchises, approvals, permits, licenses, orders, registrations, certificates, exemptions, variances and similar rights obtained from Governmental Authorities (other than the FCC License) in any jurisdiction that had issued or granted such items to the Company, or that the Company otherwise owns or uses, in each case relating to the Business, and all pending applications therefor;

(p) the assets of the New Pension Plan and the Defined Contribution Plan to the extent set forth in Sections 5.2(i) and 5.2(j), respectively;

(q) except as set forth in Section 1.2(h) hereof, all insurance proceeds claims arising out of or related to damage, destruction or loss of any property or asset used or useful in connection with the Business to the extent of any damage or destruction that remains unrepaired, or to the extent any property or asset remains unreplaced, at the Closing Date; and

(r) the Company's rights under the Non-Competition and Non-Solicitation Agreements identified in Section 1.1(r) of the Disclosure Schedules and, to the extent assignable, the Company's rights to enforce any non-competition provisions relating to the Business, the Business Employees or the Stations contained in any other written agreement with a Corporate Office Employee.

1.2 Excluded Assets. Notwithstanding anything to the contrary herein, all of the Company's right, title and interest in all of the following properties, assets and other rights (collectively, the "Excluded Assets") shall be excluded from the Assets:

(a) the corporate books and records of the Company, including minute books and stock ledgers, and copies of business records included in the Assets acquired by Purchaser that are reasonably required by the Company or any Affiliate or stockholder of the Company in order to permit the Company or any of its Affiliates or stockholders to prepare any Tax return or other filing or report to be made after the Closing Date;

(b) the Excluded Names and any trademarks, service marks or trade names incorporating any of the Excluded Names;

(c) shares of stock in KOZ inc.;

(d) any of the properties, assets or other rights of the Maine Media Business;

(e) the Corporate Office Lease and all furniture, fixtures, equipment, office materials and supplies, vehicles and other assets located at the Corporate Office or exclusively used by or relating to the Corporate Office or Corporate Office Employees including, without limitation, all notes receivable of the Corporate Office (none of which arise from the sale of television advertising);

(f) all rights of the Company under this Agreement, the Bill of Sale, Assignment and Assumption Agreement, the Maine Media Purchase Agreement, the Contribution Agreement, the Adjustment Escrow Agreement and the Security Escrow Agreement;

(g) cash, bank accounts, cash equivalents and other similar types of investments, certificates of deposit, U.S. Treasury bills and other marketable securities;

(h) all insurance policies, programs, reserves and related bonds of any nature; any dividends payable in respect thereof; and any insurance proceeds or claims that are compensation for the loss of an Excluded Asset or for the loss of an asset that has been repaired or replaced (other than in violation of this Agreement) prior to the Closing Date;

(i) all properties, assets or other rights sold by the Company prior to the Closing Date as permitted by Section 5.1 hereof; and

(j) all claims, judgments and other rights of any nature to the extent related to (i) the items set forth in clauses (a) through (i) above or (ii) Retained Liabilities.

1.3 Assumption of Liabilities. (a) On and after the Closing Date, Purchaser will assume and agree to perform and fully discharge when due all Liabilities of the Company (i) solely related to or solely arising from or in connection with the Assets or the Business and (ii) in the case of any Liabilities related to or arising partly from or in connection with the Assets or the Business and partly from any other assets or business of the Company, to the extent such Liabilities relate to or arise from or in connection with the Assets or the Business (in each case including, without limitation, any Claims and Damages arising from the assignment to Purchaser of any contract or other agreement pursuant to the terms of this Agreement), whether such Liabilities specified in clause (i) or (ii) are incurred or arising prior to, on, or after the Closing Date, including, without limitation, those obligations of the Company to be assumed by Purchaser pursuant to Section 5.2 hereof, other than Retained Liabilities (collectively, the "Assumed Liabilities"). Except as set forth in this Section 1.3

and except as otherwise expressly provided in this Agreement, Purchaser will assume no other Liabilities of any kind of description of the Company.

(b) Without limiting the generality of Section 1.3(a) hereof, and notwithstanding any other provision hereof, each of the following is a "Retained Liability" (except to the extent that it is a Liability that decreases Net Financial Assets):

- (i) any of the Company's obligations hereunder;
- (ii) any Liability for federal, state or local income taxes of the Company, its stockholders and any other Person (other than payroll withholding taxes to the extent that they decrease Net Financial Assets, which shall constitute Assumed Liabilities);
- (iii) Corporate Office expenses other than those liabilities for certain Corporate Office Employees set forth in Section 5.2 hereof (all of which shall constitute Assumed Liabilities);
- (iv) any Liability of the Company arising from Indebtedness or any overdrafts on any bank accounts of the Company;
- (v) any Liability assumed or to be assumed by Newco under the Contribution Agreement;
- (vi) except for the Company's obligations under a sharing agreement and sublease agreement in the form set forth as Exhibits F-1 and F-2 hereto, any of the Company's obligations under the Contribution Agreement, the Maine Media Purchase Agreement, the Adjustment Escrow Agreement or the Security Escrow Agreement;
- (vii) any Liability for dividends; and
- (viii) any Liabilities relating to current, former or inactive Corporate Office Employees that are not to be assumed by Purchaser pursuant to Section 5.2 hereof.

1.4 Retained Liabilities. The Company shall retain, and shall continue to be responsible after the Closing Date for, all Retained Liabilities and all other Liabilities of the Company that are not Assumed Liabilities.

1.5 [Intentionally omitted.]

1.6 Closing and Closing Date. Unless this Agreement shall have been terminated and the transactions herein contemplated shall have been terminated pursuant to Section 10.1 hereof, the closing (the "Closing") of the transactions herein contemplated shall take place at 10:00 a.m., New York City time, on a date not later than ten days following the satisfaction or waiver of the conditions set forth in Articles 6 and 7 hereof, or at such other time and date as the Company and Purchaser shall agree (such time and date being referred to herein as the "Closing Date"), at the offices of Simpson Thacher & Bartlett, 425 Lexington

Avenue, New York, New York, or at such other place as the Company and Purchaser shall agree. At the Closing, each of the parties hereto shall take, or cause to be taken, all such actions and deliver, or cause to be delivered, all such documents, instruments, certificates and other items as may be required under this Agreement or otherwise, in order to perform or fulfill all covenants and agreements on its part to be performed at or prior to the Closing. The Closing shall be effective as of 12:01 a.m., New York City time, on the day of the Closing Date.

1.7 Additional Closing Deliveries. At the Closing:

(a) The Company shall deliver to Purchaser:

(i) a duly executed counterpart of the Bill of Sale, Assignment and Assumption Agreement substantially in the form set forth in Exhibit A hereto (the "Bill of Sale, Assignment and Assumption Agreement");

(ii) instruments of assignment with respect to all of the Company's rights and interests in real property leases and special warranty deeds (of a type equivalent to that known in New York as a "bargain and sale deed with covenants against grantor's actions") in recordable form sufficient to convey to Purchaser all of the Company's rights and interests in the Real Property;

(iii) a duly executed counterpart of the Adjustment Escrow Agreement and the Security Escrow Agreement;

(iv) all other instruments of conveyance and transfer sufficient to convey the Assets to Purchaser; and

(v) all other documents, instruments and writings consistent with the terms of this Agreement and required to be delivered by the Company at or prior to the Closing Date pursuant to this Agreement.

(b) Purchaser shall deliver to Company:

(i) the Purchase Price in accordance with Section 2.1 hereof;

(ii) a duly executed counterpart of the Bill of Sale, Assignment and Assumption Agreement;

(iii) a duly executed counterpart of the Adjustment Escrow Agreement and the Security Escrow Agreement; and

(iv) all other documents, instruments and writings required to be delivered by Purchaser at or prior to the Closing Date pursuant to this Agreement.

(c) Notwithstanding clauses (ii) and (iv) of Section 1.7(a) hereof, at the request of Purchaser, the Company shall deliver the instruments of assignment, conveyance and transfer described in such clauses sufficient to convey the Assets in respect of any Station or Stations to such other Person as is designated by Purchaser that has obtained the FCC's consent to the assignment of the FCC Licenses relating to such Station or Stations to such Person. Notwithstanding anything to the contrary contained in this Agreement, unless such Person is a wholly owned subsidiary of Purchaser, such other Person shall be deemed not to be a party to this Agreement and shall have no legal or equitable rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

Article 2. Purchase Price.

2.1 Purchase Price; Payment. (a) In consideration of the sale of the Assets and the Business hereunder, Purchaser shall (i) pay the Company in cash the aggregate amount of (x) \$310,000,000, *plus* (y) if the earnings before interest, taxes, depreciation and amortization of the Stations for the fiscal year ending December 26, 1998, calculated in conformity with GAAP and on a basis consistent with the basis used in preparing the Unaudited Financial Statements as of, and for year ended, December 27, 1997 referred to in Section 3.5 hereof, in each case after adding back corporate overhead expense (to the extent otherwise deducted in computing earnings) and film and program expenses and subtracting actual cash payments on film and program contracts either made or due but not yet made (in each case adjusted to include one month's payment for each month in which any such payment is due) and in each case excluding the results of operations of WOKR-TV (Rochester, New York) (the "1998 BCF"), exceeds \$12,700,000, an amount equal to 14.57 times the difference between the 1998 BCF and \$12,700,000 (but in no event shall the amount of the addition pursuant to this clause (y) be more than \$7,000,000), (the "Earnings Adjustment") *plus* (if greater than or equal to zero) or *minus* (if less than zero), as the case may be, (z) the amount of the Net Financial Assets as of 11:59 p.m., New York City time, on the day immediately preceding the Closing Date, subject to adjustment pursuant to Section 2.2 hereof (the "Purchase Price") and (ii) assume the Assumed Liabilities.

(b) On or before five Business Days prior to the Closing, the Company shall deliver to Purchaser (i) a statement setting forth the amount estimated in good faith by the Company to be the amount of the Earnings Adjustment (the "Proposed Earnings Adjustment") and the amount of the Net Financial Assets as of the Closing Date (the "Estimated Net Financial Assets") and (ii) a notice designating the accounts or accounts to which the payment to or on behalf of the Company pursuant to clause (i) of Section 2.1(c) is to be made.

(c) At the Closing, Purchaser shall deliver

(i) the sum of (x) \$299,000,000 *plus* (if the Estimated Net Financial Assets is greater than or equal to zero) or *minus* (if the Estimated Net Financial Assets is less than zero), as the case may be, (y) the Estimated Net Financial Assets, by wire

transfer in immediately available funds to the account or accounts designated by the Company in accordance with Section 2.1(b):

(ii) the sum of (x) \$3,000,000 *plus* (y) the Proposed Earnings Adjustment, if any, (collectively, the "Adjustment Escrow"); by wire transfer in immediately available funds to the Adjustment Escrow Agent pursuant to the Adjustment Escrow Agreement; and

(iii) \$8,000,000 by wire transfer in immediately available funds to the Security Escrow Agent pursuant to the Security Escrow Agreement.

2.2 Post-Closing Adjustment.

(a) The parties agree that no later than 75 days after the Closing (or such later date on which such statement reasonably can be prepared and delivered in light of the compliance of Purchaser and the Company with their obligations set forth in next two succeeding sentences), the Company shall cause to be prepared and deliver to Purchaser (i) a statement of the actual Net Financial Assets as of 11:59 p.m., New York City time, of the day immediately preceding the Closing Date (the "Closing Statement") certified by PriceWaterhouseCoopers L.L.P., independent accountants for the Company, to be prepared (except as otherwise provided in Section 9 of the Disclosure Schedule) in conformity with GAAP and on a basis consistent with the basis used in preparing the Unaudited Financial Statements as of, and for the year ended, December 27, 1997 referred to in Section 3.5 hereof and (ii) a determination of the amount (the "Proposed NFA Adjustment") by which the Net Financial Assets as then determined by the Company is less than or greater than the Estimated Net Financial Assets (the amount of such excess or shortfall, together with the adjustment, if any, for the amount of the Earnings Adjustment as described below, is referred to herein as the "Adjustment"). Purchaser shall provide the Company and its independent accountants access at all reasonable times to the relevant personnel, properties, books and records of the Business for such purposes and to assist the Company and its independent accountants in preparing the Closing Statement. Purchaser's assistance shall include, without limitation, the closing of the Business's books as of the Closing, the preparation of schedules supporting the amounts set forth in the general ledger and other books and records of the Business, and such other assistance as the Company or its independent accountants may reasonably request. During the 30-day period following the delivery by the Company of the Closing Statement and the Proposed NFA Adjustment referred to in the first sentence of this Section 2.2(a), Purchaser and its independent accountants will be permitted to review the working papers of the Company and its independent accountants relating to the preparation of the Closing Statement, the Proposed NFA Adjustment and the Proposed Earnings Adjustment. If, within 30 days after delivery by the Company of the Closing Statement and the Proposed NFA Adjustment, Purchaser notifies the Company that it disagrees with the Closing Statement and the Proposed NFA Adjustment and/or the Proposed Earnings Adjustment and the Company and Purchaser cannot agree with respect to the Closing Statement and the Proposed NFA Adjustment and/or the Proposed Earnings Adjustment, as the case may be, within five days of the notice of disagreement provided by Purchaser to the Company, then the determination shall be submitted for resolution (the "Resolution") promptly to an independent

nationally recognized accounting firm jointly selected by the Company and Purchaser, whose determination (the "Accounting Firm Determination") shall be instructed by the parties to be made within 20 days and be binding upon all parties hereto, and the fees and expenses of which shall be borne equally by Purchaser and the Company. In the event that (whether expressly or by failure of Purchaser to provide notice of any disagreement within the applicable period) the Company and Purchaser agree as to the amount of the Adjustment (an "Adjustment Agreement") without submitting the matter for Resolution, the parties shall deliver a joint certificate to the Adjustment Escrow Agent setting forth the amount of the Adjustment Escrow to be paid to each of the Purchaser and the Company pursuant to this Section 2.2. In the event of an Accounting Firm Determination, the accounting firm shall deliver a certificate to each of Purchaser, the Company and the Adjustment Escrow Agent setting forth the amount of the Adjustment. The amount of Net Financial Assets as of 11:59 p.m., New York City time, on the day immediately preceding the Closing Date, as definitively determined pursuant to this Section 2.2(a) is referred to herein as the "Actual Net Financial Assets." The amount of the Earnings Adjustment as definitively determined pursuant to this Section 2.2(a) is referred to herein as the "Actual Earnings Adjustment".

(b) At the Closing, the Company, Purchaser and such financial institution as shall have been agreed by the parties prior to the Closing Date (together with any successor jointly appointed by the Company and the Purchaser, the "Adjustment Escrow Agent") shall execute and deliver an escrow agreement substantially in the form set forth in Exhibit B hereto (the "Adjustment Escrow Agreement"). From and after the Closing, the Adjustment Escrow Agent shall act as escrow agent, pursuant to the Adjustment Escrow Agreement, in effecting the payment of the amounts held in the Adjustment Escrow as set forth herein.

(c) As soon as practicable after the earlier of an Adjustment Agreement or an Accounting Firm Determination (but in any event within two Business Days after the Adjustment Agreement or the Accounting Firm Determination):

(i) if the sum of the Actual Net Financial Assets and the Actual Earnings Adjustment is equal to or greater than the sum of the Estimated Net Financial Assets and the Proposed Earnings Adjustment, then:

(A) the Adjustment Escrow Agent shall pay to the Company from the Adjustment Escrow the full amount of the Adjustment Escrow, and

(B) Purchaser shall pay to the Company the amount by which the sum of the Actual Net Financial Assets and the Actual Earnings Adjustment exceeds the sum of the Estimated Net Financial Assets and the Proposed Earnings Adjustment;

(ii) if the sum of the Actual Net Financial Assets and the Actual Earnings Adjustment is less than the sum of the Estimated Net Financial Assets and the Proposed Earnings Adjustment but the amount of such shortfall does not exceed the Adjustment Escrow; then

(A) The Adjustment Escrow Agent shall pay to Purchaser from the Adjustment Escrow an amount equal to the amount by which the sum of the Estimated Net Financial Assets and the Proposed Earnings Adjustment exceeded the sum of the Actual Net Financial Assets and the Actual Earnings Adjustment, and

(B) the Adjustment Escrow Agent shall pay to the Company from the Adjustment Escrow the remaining amount of the Adjustment Escrow (after giving effect to clause (A) above); and

(iii) if the sum of the Actual Net Financial Assets and the Actual Earnings Adjustment is less than the sum of the Estimated Net Financial Assets and the Proposed Earnings Adjustment and the amount of such shortfall exceeds the Adjustment Escrow, then

(A) the Adjustment Escrow Agent shall pay to Purchaser from the Adjustment Escrow the full amount of the Adjustment Escrow, and

(B) the Security Escrow Agent shall pay to the Purchaser from the Security Escrow an amount equal to the amount by which (x) the sum of the Estimated Net Financial Assets and the Proposed Earnings Adjustment exceeds (y) the sum of the Actual Net Financial Assets *plus* the Actual Earnings Adjustment *plus* an amount equal to the Adjustment Escrow.

Each of Purchaser and the Company shall timely give all necessary instructions to the Adjustment Escrow Agent and the Security Agent so that the Adjustment Escrow and (if applicable) the Security Escrow are paid and distributed in accordance with this Section 2.2(c). All payments pursuant to this Section 2.2(c) shall be by wire transfer in immediately available funds to the account or accounts designated by the Company and/or Purchaser, as the case may be, no later than two Business Days prior to such payment.

(d) Any interest or other investment income earned for the period from the time that any portion of the Purchase Price is delivered to the Adjustment Escrow Agent pursuant to this Agreement until all amounts held in the Adjustment Escrow have been distributed in accordance with the Adjustment Escrow Agreement while held by the Adjustment Escrow Agent shall be paid to the Company in addition to, and at the same time as, payment of the Adjustment Escrow in accordance with the terms of this Agreement; provided, however, that, to the extent that any portion of the Adjustment Escrow is paid to Purchaser pursuant to of Section 2.2(c) hereof, a pro rata portion of such interest or other investment income (determined on the basis of the relative portions of the Adjustment Escrow to be paid to Purchaser and the Company, respectively, pursuant to Section 2.2(c) hereof) shall be instead paid to Purchaser. Any such interest or other investment income shall be deemed not to constitute Adjustment Escrow.

(e) The Company and Purchaser shall each be responsible for one-half of the fees and expenses of the Adjustment Escrow Agent.

2.3 Security Escrow. (a) At the Closing, the Company, Purchaser and such financial institution as shall have been agreed by the parties prior to the Closing Date (together with any successor jointly appointed by the Company and Purchaser, the "Security Escrow Agent") shall execute and deliver an escrow agreement substantially in the form set forth in Exhibit C hereto (the "Security Escrow Agreement"). From and after the Closing, the Security Escrow Agent shall act as escrow agent, pursuant to the Security Escrow Agreement, in effecting the payment of the amounts held in the escrow account (the "Security Escrow") under the Security Escrow Agreement.

(b) Any interest or other investment income earned for the period from the time that any portion of the Purchase Price is delivered to the Security Escrow Agent pursuant to this Agreement until all amounts held in the Security Escrow have been distributed in accordance with the Security Escrow Agreement while held by the Security Escrow Agent shall be paid monthly to the Company or the Fund Holder, as the case may be; provided that no such payments shall be made until (i) a determination of whether any payment out of the Security Escrow pursuant to Section 2.2(c)(iii)(B) is required and (ii) if so required, such payment has been made; and provided further, that to the extent that any portion of the Security Escrow is paid to Purchaser pursuant to Section 2.2(c)(iii)(B) hereof, a pro rata portion of such interest or other investment income earned through the date of such payment (determined on the basis of the relative portions of the Security Escrow so paid and that not so paid) shall be instead paid to Purchaser at the time such portion of the Security Escrow is paid to Purchaser. Any interest or other investment income earned on amounts held in the Security Escrow shall be deemed not to constitute Security Escrow.

(c) The Company and Purchaser shall each be responsible for one-half of the fees and expenses of the Security Escrow Agent.

2.4 Investment of Escrow Amounts. The Adjustment Escrow Agent and the Security Escrow Agent shall each be authorized to invest the portion of the Purchase Price held by it, on receipt of instructions from the Company, in:

(i) Commercial paper of any corporation rated at least A-1 by S&P and P-1 by Moody's;

(ii) Negotiable certificates of deposit of United States banks having (A) a long-term senior debt rating of at least A by S&P and Moody's, (B) deposits in excess of \$2,000,000,000 and (C) commercial paper rating designations of at least A-1 by S&P and P-1 by Moody's;

(iii) Repurchase agreements with any United States bank which are fully collateralized by direct obligations of the United States or obligations of agencies or sponsored agencies of the United States government, excluding in all cases collateralized mortgage obligations of any kind; and

(iv) Money market instruments rated at least A-1 by S&P and P-1 by Moody's that are restricted to investments described in clause (iii);

provided that in no event shall any investment of the types described in clause (i), (ii) or (iv) exceed ten percent of the net assets of the issuer thereof and provided further that all investments shall have maturity dates on or before the anticipated dates of the relevant payments hereunder.

The Adjustment Escrow Agent and the Security Escrow Agent shall each be authorized to register securities held by it in its name or in the name of a nominee or in bearer form and may deposit any securities or other property in a depository or a clearing corporation.

2.5 Allocation of the Purchase Price. No later than the Closing Date, Purchaser and the Company shall jointly determine the proper allocation of the Purchase Price among the Stations. No later than 90 days following the Closing Date, Purchaser shall engage a nationally recognized appraiser to determine the proper allocation of the Purchase Price allocated to, and the Assumed Liabilities relating to, each Station among the Assets of each Station, in each case in accordance with Section 1060 of the Code and the Treasury Regulations promulgated thereunder (the "Allocation"), provided that the parties hereto agree that no part of the Purchase Price shall be allocated to any of the agreements referred to in Section 1.1(r) hereof. The Allocation shall be binding upon Purchaser and the Company, and none of the parties hereto shall file, or cause to be filed, any Tax Return, Internal Revenue Service Form 8594 or other form, or take a position with any Tax authority or jurisdiction, that is inconsistent with the Allocation without obtaining the prior written consent of the Company or Purchaser, as the case may be. The fees and disbursements of appraiser engaged in connection with the Allocation shall be paid by Purchaser.

Article 3. Representations and Warranties Relating to the Company.

The Company represents and warrants to Purchaser as follows:

3.1 Organization and Standing. The Company is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of Maine and has all requisite corporate power and authority to own, lease and operate its properties and assets and to conduct its business as it is now being conducted. The Company is duly qualified to do business as a foreign corporation and is in good standing under the laws of each state in which the operation of its business or ownership of its assets makes such qualification necessary, except where the failure to so qualify or be in good standing would not reasonably be expected to have a Material Adverse Effect.

The Company has previously made available to Purchaser a complete and correct copy of its articles of incorporation and by-laws, each as currently in effect.

3.2 Binding Agreement. The Company has all requisite corporate power and authority to enter into this Agreement, to execute and deliver this Agreement, the Bill of Sale, Assignment and Assumption Agreement, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement, the Bill of Sale, Assignment and Assumption Agreement by the

Company and the consummation by the Company of its obligations hereunder and thereunder have been duly and validly authorized by all necessary corporate and stockholder action on the part of the Company. This Agreement has been, and on the Closing Date the Bill of Sale, Assignment and Assumption Agreement will be, duly executed and delivered on behalf of the Company and, assuming the due authorization, execution and delivery by Purchaser, constitutes a legal, valid and binding obligation of the Company enforceable in accordance with its terms, subject to applicable bankruptcy and similar laws affecting the rights of creditors generally and to general principles of equity (whether applied at law or equity).

3.3 Absence of Conflicting Agreements or Required Consents. Except as set forth in Section 3.3 of the Disclosure Schedule, the execution, delivery and performance by the Company of this Agreement, the Bill of Sale, Assignment and Assumption Agreement do not and will not (a) violate, conflict with or result in the breach or default of any provision of the articles of incorporation or by-laws of the Company, (b) conflict with or violate in any material respect any material Law or material Governmental Order applicable to the Company or any of its properties or assets, (c) except for (i) the notification requirements of the HSR Act and (ii) such filings with, and orders of, the FCC as may be required under the Communications Act and the FCC's rules and regulations in connection with this Agreement and the transactions contemplated hereby, require any material consent, approval, authorization or other order of, action by, registration or filing with or declaration or notification to any Governmental Authority, or (d) conflict with, result in any violation or breach of, constitute a default (or event which with the giving of notice, or lapse of time or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, or result in the creation of any Encumbrance on any of the Assets, or result in the imposition or acceleration of any payment, time of payment, vesting or increase in the amount of compensation or benefit payable, pursuant to any Material Contract.

3.4 Equity Investments. The Assets do not include any capital stock of any corporation or any equity interest in any Person.

3.5 Financial Statements. (a) The Company has furnished to Purchaser audited balance sheets for the Company (including the Maine Media Business) as of December 28, 1996 and December 27, 1997, and audited statements of income and retained earnings, and cash flows for the years then ended, all certified by Coopers & Lybrand L.L.P., independent accountants, whose opinions thereon are included therein (collectively referred to herein as the "Audited Financial Statements"). Except as otherwise disclosed in Section 3.5 of the Disclosure Schedule, the Audited Financial Statements (including any notes thereto) present fairly, in all material respects, the financial position of the Company (including the Maine Media Business) as of December 28, 1996 and December 27, 1997, and the results of its operations and its cash flows for the years then ended and have been prepared in conformity with GAAP.

(b) The Company has furnished to Purchaser (i) the consolidated balance sheets for the Stations as of December 31, 1994, December 31, 1995, December 31, 1996 and December 31, 1997 and consolidated statements of operations for the years then ended, in

each case as set forth on pages 114 and 115 of the Confidential Memorandum (excluding, without limitation, any estimated, budgeted or projected information set forth therein) and (ii) the consolidated balance sheets for the Stations as of June 30, 1998 and consolidated statements of operations for the Stations for the six month period then ended (the financial statements referred to in clauses (i) and (ii) are collectively referred to herein as the "Unaudited Financial Statements" and, together with the Audited Financial Statements, the "Financial Statements"). Except as otherwise disclosed in Section 3.5 of the Disclosure Schedule, the Unaudited Financial Statements (including any notes thereto) present fairly, in all material respects, the financial position of the Stations, as of the dates thereof and the results of operations for the Stations for the periods then ended and have been prepared in conformity with GAAP.

(c) Except as set forth in Section 3.5 of the Disclosure Schedule, there are no liabilities or obligations, secured or unsecured (whether absolute, accrued, contingent or otherwise, and whether due or to become due), of the Company with respect to the Stations of a nature required by GAAP to be reflected in a corporate balance sheet, except such liabilities and obligations (i) that are adequately accrued or reserved against in the Financial Statements or disclosed in the notes thereto (ii) that were incurred after June 30, 1998 either in the ordinary course of business consistent with past practice or in connection with the transactions contemplated by this Agreement or (iii) that are immaterial in amount.

3.6 Title to Assets; Related Matters. Except for Permitted Exceptions or as disclosed in Section 3.6 of the Disclosure Schedule (i) the Company has good, valid and marketable title (as measured in the context of their current uses) to, or, in the case of leased or subleased assets, valid and subsisting leasehold interests (as measured in the context of their current uses) in, or otherwise has the right to use, all of the Assets, free and clear of all Encumbrances (except for any assets sold or otherwise disposed of, or with respect to which the lease, sublease or other right to use such Asset has expired or has been terminated, in each case after the date hereof solely to the extent permitted under Section 5.1(a) hereof), (ii) each lease or sublease pursuant to which any Leased Property is leased by the Company is legal, valid and binding on the Company and, to the Company's Knowledge, the other parties thereto and grants the leasehold interest it purports to grant, including, without limitation, any rights to nondisturbance and peaceful and quiet enjoyment that may be contained therein, and the Company, and to the Company's Knowledge each other party thereto, is in compliance in all material respects with the provisions of such leases and subleases, (iii) the Assets, together with the Excluded Assets, constitute all the assets and rights of the Company and its Affiliates used in or necessary for the operation of the Business as currently conducted, (iv) except for Equipment scheduled to be replaced by the Company's capital expenditure budget, the Real Property, Leased Property and Equipment is, in all material respects, in good operating condition and repair (ordinary wear and tear excepted) taking into account the age thereof, (v) there are no contractual or legal restrictions to which the Company is a party or by which the Real Property is otherwise bound that preclude or restrict in any material respect the Company's ability to use the Real Property for the purposes for which it is currently being used and (vi) no portion of the Real Property or Leased Property is the subject of, or affected by, any condemnation, eminent domain or inverse condemnation proceeding currently instituted or, to the Company's Knowledge, threatened. On the Closing Date, the Company

shall sell, convey, assign, transfer and deliver to Purchaser all of the Company's right, title and interest in and to all of the Assets, free and clear of all Encumbrances other than Permitted Exceptions, Encumbrances disclosed in Section 3.6 of the Disclosure Schedule and Encumbrances arising from Purchaser's acts. Schedule 1.1(d) contains a true and correct list of all Real Property owned by the Company used in the Business (other than the Excluded Assets).

3.7 Absence of Certain Changes, Events and Conditions. Since June 30, 1998, except as otherwise provided in or contemplated by this Agreement, as disclosed in Section 3.7 of the Disclosure Schedule:

(a) Other than in the ordinary course of business consistent with past practice, the Company has not sold, transferred, leased, subleased, licensed or otherwise disposed of any material assets used in the Business, other than the sale of obsolete Equipment;

(b) (i) the Company has not granted any increase, or announced any increase, in the wages, salaries, compensation, bonuses, incentives, pension or other benefits payable to any of the Business Employees, including, without limitation, any increase or change pursuant to any Employee Benefit Plan, or (ii) established, increased or accelerated the payment or vesting of any benefits under any Employee Benefit Plan with respect to Business Employees, in either case except (A) as required by Law, (B) that involve only increases consistent with the past practices of the Company or (C) as required under any existing agreement or arrangement;

(c) the Company has not made any material change in any method of accounting or accounting practice or policy used by the Company, other than changes required by law or under GAAP;

(d) the Company has not suffered any extraordinary casualty loss or damage with respect to any material assets used in the Business, whether or not covered by insurance;

(e) there has not been any Material Adverse Effect;

(f) except in connection with the transactions contemplated hereby, the Business has been conducted in all material respects only in the ordinary and usual course consistent with past practice;

(g) the Company has not created, incurred, assumed or guaranteed any Indebtedness, except for net borrowings under existing lines of credit;

(h) other than in the ordinary course of business, the Company has not compromised, settled, granted any waiver or release relating to, or otherwise adjusted any Action, material Liabilities or any other material claims or material rights of the Business; and

(i) the Company has not entered into any agreement, contract, commitment or arrangement to do any of the foregoing.

3.8 Litigation. Except as disclosed in Section 3.8 of the Disclosure Schedule, as of the date hereof, (i) there are no Actions against the Company relating to the Business or the Assets pending, or, to the Company's Knowledge, threatened to be brought by or before any Governmental Authority, (ii) to the Company's Knowledge, the Company is not subject to any Governmental Orders (nor, are there any such Governmental Orders threatened to be imposed by any Governmental Authority) relating to the Business or the Assets and (iii) there is no Action pending, or, to the Company's Knowledge, threatened to be brought before any Governmental Authority, that seeks to question, delay or prevent the consummation of the transactions contemplated hereby.

3.9 Insurance. Section 3.9 of the Disclosure Schedule lists all insurance policies of the Company as of the date hereof relating to the Assets or the Business (the "Insurance Policies"). Except as set forth in either Section 3.9 or Section 3.14 of the Disclosure Schedule, (i) all insurance policies relating to the Assets or Business to which the Company is a party or under which the Assets or the Business is covered (or replacement policies therefor) are in full force and effect, and the Company has paid all premiums due and is not in default, (ii) no notice of cancellation or non-renewal with respect to, or disallowance of any claim under, any such policy has been received by the Company and (iii) to the Company's Knowledge, the Company has not been refused insurance with respect to the Business or Assets, nor has coverage with respect to the Business or Assets been previously canceled or limited, by an insurer to which the Company has applied for such insurance, or with which the Company has held insurance, within the last three years.

3.10 Material Contracts. Section 3.10 of the Disclosure Schedule sets forth all Material Contracts, including, without limitation, all amendments thereof, as of the date hereof. Complete and accurate copies of all written Material Contracts listed in Section 3.10 of the Disclosure Schedule and accurate summaries of the material terms of all oral Material Contracts have been delivered or made available to Purchaser (except as otherwise noted therein). Except as set forth in Section 3.10 of the Disclosure Schedule, (1) each Material Contract and each other contract or agreement that is material to the Business is legal, valid and binding on the Company and, to the Company's Knowledge, the other parties thereto, (2) the Company is not in default under any Material Contract or other contract or agreement that is material to the Business and no event has occurred or failed to occur that, with or without the giving of notice or the lapse of time or both, would result in such a default and (3) to the Company's Knowledge, no other party to any Material Contract or other contract or agreement that is material to the Business has breached or is in default thereunder.

3.11 Permits and Licenses; Compliance with Law. Except as disclosed in Section 3.11 of the Disclosure Schedule, (i) the Company currently holds all the material permits, licenses, authorizations, certificates, exemptions and approvals of Governmental Authorities or other Persons including, without limitation, Environmental Permits, necessary for the current operation and the conduct (as it is being conducted prior to the Closing) of the Business, other than the FCC Licenses (which are provided for in Section 3.12 hereof)

(collectively, "Permits"), and all material Permits are in full force and effect, (ii) since November 1, 1996, the Company has not received any written notice from any Governmental Authority revoking, canceling, rescinding, modifying or refusing to renew any material Permit and (iii) the Company is in material compliance with the requirements of all material Permits.

Except as disclosed in Section 3.11 of the Disclosure Schedule (i) the Company is in compliance in all material respects with all Laws and Governmental Orders, other than the FCC Licenses, the Communications Act and the rules and regulations of the FCC (which are provided for in Section 3.12 hereof), applicable to the conduct of the Business as it is being conducted prior to the Closing and (ii) the Company has not been charged since November 1, 1996 by any Governmental Authority with a violation of any Law or any Governmental Order relating to the conduct of its business, which charge has not been fully resolved and, to the extent required, accounted for.

3.12 FCC Licenses. Except as disclosed in Section 3.12 of the Disclosure Schedule, (i) the Company holds the FCC Licenses listed in Section 3.12 of the Disclosure Schedule, which FCC Licenses expire on the respective dates set forth in Section 3.12 of the Disclosure Schedule; (ii) Section 3.12 of the Disclosure Schedule sets forth a true and complete list of any and all pending applications filed with the FCC by the Company, true and complete copies of which have been delivered to Purchaser or made available for inspection by Purchaser; (iii) the FCC Licenses listed in Section 3.12 of the Disclosure Schedule constitute all of the licenses and authorizations required under the Communications Act and the current rules and regulations of the FCC in connection with the operation of the Stations as currently operated; (iv) the FCC Licenses are in full force and effect through the dates set forth in Section 3.12 of the Disclosure Schedule, and there is not pending or, to the Knowledge of the Company, threatened, any action by or before the FCC to revoke, suspend, cancel, rescind, modify, or refuse to renew in the ordinary course any of the FCC Licenses; (v) the Stations are operating in compliance with the FCC Licenses and in compliance in all material respects with the Communications Act and the current rules and regulations of the FCC and have been assigned digital television frequencies; and (vi) to the Company's Knowledge, there exist no facts, conditions or events relating to the Company that would reasonably be expected to cause the revocation of an FCC License or denial by the FCC of the application for consent to the assignment of the FCC Licenses as provided in this Agreement. The Company has filed all reports, forms and statements, including, without limitation, construction permit applications for digital television channels, required to be filed by the Company with the FCC and maintained its public files in accordance with the rules and regulations of the FCC.

3.13 Environmental Matters. Except as disclosed in Section 3.13 of the Disclosure Schedule, to the Company's Knowledge, (i) Hazardous Materials have not been Released on any Real Property except in material compliance with applicable Law; (ii) there have been no events related to the Business or the Real Property that would reasonably be expected to give rise to any material liability under any Environmental Law; (iii) the Business, the Real Property and the Leased Property is now, and for the past five years has been, in material compliance with all applicable Environmental Laws and there are no extant

conditions that would reasonably be expected to constitute an impediment to such compliance in the future; (iv) the Business has disposed of all wastes arising from or otherwise relating to its business, including those wastes containing Hazardous Materials, in material compliance with all applicable Environmental Laws (including the filing of any required reports with respect thereto) and Environmental Permits and (v) there are no pending or, to the Company's Knowledge, threatened Environmental Claims against the Company relating to the Real Property.

3.14 Employee Benefit Matters. The Company has made available to Purchaser copies of all material Employee Benefit Plans (including, without limitation, all plans governed by ERISA, providing pension benefits or providing health, life insurance or disability benefits), which plans are set forth in Section 3.14 of the Disclosure Schedule. Except as set forth in Section 3.14 of the Disclosure Schedule, all such Employee Benefit Plans are in compliance with the terms of the applicable plan and the requirements prescribed by applicable law currently in effect with respect thereto (including Sections 4980B and 5000 of the Code), and the Company has performed in all material respects all obligations required to be performed by it under, and is not in default under or in violation of, any of the terms of such Employee Benefit Plans where any such noncompliance, nonperformance, default or violation would, individually or in the aggregate, be reasonably expected to result in liability in excess of \$25,000. The Company has no post-retirement welfare obligations with respect to the Business for other than Business Employees of WGME-TV and Corporate Office Employees. The Company has not incurred, and, to the Knowledge of the Company, no event, transaction or condition has occurred or exists which is reasonably expected to result in the occurrence of, any liability to the Pension Benefit Guaranty Corporation (other than contributions to the plan and premiums to the Pension Benefit Guaranty Corporation, which in either event are not in default) or any "withdrawal liability" within the meaning of Section 4201 of ERISA, or any other liability pursuant to Title I or IV of ERISA or the penalty, excise tax or joint and several liability provisions of the Code relating to employee benefit plans, in any such case relating to any Employee Benefit Plan or any pension plan maintained by any company that during the last five years was or currently would be treated as a single employer with the Company under Section 4001 of ERISA or Section 414 of the Code (an "ERISA affiliate"), where individually or in the aggregate, in any of such events, any such liability would be in excess of \$25,000. Except as set forth in Section 3.14 of the Disclosure Schedule and except for such matters that would not, individually or in the aggregate, reasonably be expected to result in liability in excess of \$25,000, each Employee Benefit Plan intended to be "qualified" within the meaning of Section 401(a) of the Code has received a favorable determination letter that such plan is so qualified and the trusts maintained thereunder are exempt from taxation under Section 501(a) of the Code and, to the Company's Knowledge is so qualified, and no such Employee Benefit Plan holds employer securities. Except as set forth in Section 3.14 of the Disclosure Schedule, neither the Company nor any ERISA Affiliate has ever made or been obligated to make, or reimbursed or been obligated to reimburse another employer for, contributions to any multiemployer plan (as defined in ERISA Section 3(37)). Except as set forth in Section 3.14 of the Disclosure Schedule, the Employee Benefit Plans are not presently under audit or examination (and have not received notice of a potential audit or examination) by any governmental authority, and no matters are pending with respect to the Qualified Plan under any governmental compliance programs.

With respect to each Employee Benefit Plan, there have been no violations of Code Section 4975 or ERISA Sections 404 or 406 as to which successful claims would, individually or in the aggregate, result in liability in excess of \$25,000 for the Company or any Person required to be indemnified by it. Except as set forth in Section 3.14 of the Disclosure Schedule and except as expressly provided in this Agreement, the consummation of the transactions contemplated by this Agreement will not (i) entitle any current or former employee or officer of the Company or any ERISA affiliate to severance pay, unemployment compensation or other payment, or (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any such employee or officer. There are no pending, or, to the Company's Knowledge, threatened or anticipated claims by or on behalf of any Employee Benefit Plan, by any employee or beneficiary covered under any such plan, or otherwise involving any such plan (other than routine claims for benefits) where any such pending, threatened or anticipated claims would, individually or in the aggregate, reasonably be expected to result in liability in excess of \$25,000. The \$25,000 liability threshold in this Section 3.14 is intended to apply only to this Section 3.14, and is in no way intended to be used in defining materiality anywhere in this Agreement.

3.15 Labor Relations. Section 3.15 of the Disclosure Schedule sets forth a list of all labor organizations recognized as representing the employees of the Business. Complete and accurate copies of all collective bargaining agreements and other labor union contracts between the Company and any such labor organizations have been delivered or made available to Purchaser. Other than as set forth in Section 3.15 of the Disclosure Schedule, (i) the Company is not party to any collective bargaining agreement or other labor union contract applicable to employees of the Business, (ii) there are no strikes, slowdowns or work stoppages pending or, to the Company's Knowledge, threatened between the Company and any employees of the Business and the Company has not experienced any such strike, slowdown, or work stoppage within the past two years, in each case other than any such strike, slowdown or work stoppage after the date hereof arising out of or relating to the transactions contemplated hereby, (iii) there are no unfair labor practice complaints pending or, to the Company's Knowledge, threatened against the Business relating to employees of the Business before the National Labor Relations Board or any other Governmental Authority or, to the Company's Knowledge, any current union representation questions involving employees of the Business and (iv) the Company is in compliance in all material respects with its obligations under all Laws and Governmental Orders governing its employment practices with respect to employees of the Business, including, without limitation, provisions relating to wages, hours and equal opportunity, employment discrimination, workers' compensation, family and medical leave, the Immigration Reform and Control Act, and occupational safety and health requirements, (v) to the Company's Knowledge, all Persons classified by the Company as independent contractors with respect to the Business do satisfy the requirements of law to be so classified, and the Company has fully and accurately reported their compensation on IRS Forms 1099 when required to do so, and (vi) there is no charge or compliance proceeding actually pending or, to the Company's Knowledge, threatened against the Company with respect to employees of the Business before the Equal Employment Opportunity Commission or any state, local, or foreign agency responsible for the prevention of unlawful employment practices.

3.16 Intellectual Property. Section 3.16 of the Disclosure Schedule includes a complete list of all call letters of the Stations (the "Call Letters"). Except as disclosed in Section 3.16 of the Disclosure Schedule, (i) the rights of the Company in or to the Call Letters and, to the Company's Knowledge, the other Intellectual Property do not conflict with or infringe on the rights of any other Person, (ii) the Company has not received any claim from any Person that the rights of the Company in or to the Intellectual Property conflict with or infringe on the rights of any other Person and, to the Company's Knowledge, no such claim is threatened, (iii) the Company owns (free and clear of any Encumbrances other than Permitted Exceptions), is licensed or otherwise has the right to use all Intellectual Property necessary for the conduct of the Business as currently conducted by the Company except where the failure to have such rights would not reasonably be expected to impair the operations of the Business in any material respect and (iv) to the Company's Knowledge, no other Person is infringing or diluting the rights of the Company with respect to the Intellectual Property.

3.17 Taxes. Except as disclosed in Section 3.17 of the Disclosure Schedule and except relating exclusively to the Maine Media Business, (a) all material Tax Returns required to be filed by the Company have been timely filed and all such Tax Returns are correct and complete in all material respects; (b) all Taxes required to be paid by the Company, whether or not shown as due on such Tax Returns, have been timely paid other than such Taxes, if any, as are described in Section 3.17 of the Disclosure Schedule and are being contested in good faith and as to which adequate reserves (determined in accordance with GAAP) have been provided in the Company's financial statements; (c) there is no action, suit, proceeding, investigation, audit or claim pending or, to the Company's Knowledge, threatened with respect to Taxes of the Company or for which the Company may be liable, and no adjustment relating to such Taxes of the Company has been proposed in writing by any Tax authority and remains unresolved; (d) there are, and immediately prior to the Closing there will be, no Tax liens on any of the assets of the Company (other than liens for Taxes that are not yet due and payable); and (e) all Taxes that the Company is required to withhold or collect have been duly withheld or collected and, to the extent required, have been paid to the proper Tax authority.

3.18 Commissions. With the exception of any responsibility that the Company has to Lazard Frères & Co. LLC, whose fee will be paid by the Company, and the fees and incentive compensation set forth in Section 3.18 of the Disclosure Schedule, which fees and compensation will be paid by the Company, there is no broker or finder or other Person who has any valid claim against the Company, Purchaser, or any of their respective Affiliates or any of their respective assets for a commission, finders' fee, brokerage fee or other similar fee in connection with this Agreement, or the transactions contemplated hereby, by virtue of any actions taken by on or behalf of the Company, its stockholders or the Company's officers, employees or agents.

3.19 Affiliate Transactions. Except as set forth in Section 3.19 of the Disclosure Schedule or as expressly otherwise provided or permitted in this Agreement, since December 27, 1997 the Company has not engaged in any transaction with any Affiliate thereof that was material to the Business, and the Company is not a party to any material

agreements or arrangements with any Affiliates that will continue in effect after the Closing for the Purchaser that are not immediately terminable by the Purchaser without payment of any penalty or premium.

3.20 Accuracy and Completeness of Representations and Warranties. No representation or warranty made by the Company in this Article 3 contains any untrue statement of a material fact or omits a material fact necessary in order to make the representation or warranty not misleading.

Article 4. Representations and Warranties of Purchaser.

Purchaser represents and warrants to the Company as follows:

4.1 Organization and Standing. Purchaser is a corporation duly incorporated, validly existing, and in good standing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to own, lease and operate its properties and assets and to conduct its business.

4.2 Binding Agreement. Purchaser has all requisite corporate power and authority to enter into this Agreement, to execute and deliver this Agreement and the Bill of Sale, Assignment and Assumption Agreement, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Bill of Sale, Assignment and Assumption Agreement by Purchaser and the consummation by Purchaser of its obligations hereunder and thereunder have been duly and validly authorized by all necessary corporate and stockholder action on the part of Purchaser. This Agreement has been and, on the Closing Date, the Bill of Sale, Assignment and Assumption Agreement will be duly executed and delivered on behalf of Purchaser and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of Purchaser enforceable in accordance with its terms, subject to applicable bankruptcy and similar laws affecting the rights of creditors generally and to general principles of equity (whether applied at law or equity).

4.3 Absence of Conflicting Agreements or Required Consents. Except as set forth in Section 4.3 of the Disclosure Schedule, the execution, delivery and performance by Purchaser of this Agreement and the Bill of Sale, Assignment and Assumption Agreement do not and will not (a) violate, conflict with or result in the breach or default of any provision of the certificate or articles of incorporation or by-laws of Purchaser, (b) materially conflict with or materially violate any material Law or material Governmental Order applicable to Purchaser or any of its properties or assets, (c) except for (i) the notification requirements of the HSR Act, (ii) such filings with, and orders of, the FCC as may be required under the Communications Act and the FCC's rules and regulations in connection with this Agreement and the transactions contemplated hereby and (iii) such matters that would not reasonably be expected to materially impair or delay the consummation of the transactions contemplated hereby, require any consent, approval, authorization or other order of, action by, registration

or filing with or declaration or notification to any Governmental Authority or any other Person or (d) except for such matters that would not reasonably be expected to materially impair or delay the consummation of the transaction contemplated hereby, conflict with, result in any violation or breach of, constitute a default (or event which with the giving of notice, or lapse of time or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, or result in the creation of any Encumbrance on any of the Purchaser's assets pursuant to, any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license or permit, or franchise to which Purchaser is a party or by which its assets are bound.

4.4 Litigation. Except as described in Section 4.4 of the Disclosure Schedule, there are no Actions pending or, to Purchaser's knowledge, any Action threatened to be brought by or before any Governmental Authority, against Purchaser or any of its Affiliates that (i) seeks to question, delay or prevent the consummation of the transactions contemplated hereby or (ii) would reasonably be expected to affect adversely the ability of Purchaser to fulfill its obligations hereunder, including without limitation, Purchaser's obligations under Articles 1 and 2 hereof.

4.5 Commissions. With the exception of any responsibility that Purchaser has to Salomon Smith Barney Inc. whose fees will be paid by Purchaser, there is no broker or finder or other Person who has any valid claim against the Company, Purchaser, any of their respective Affiliates or any of their respective assets for a commission, finders' fee, brokerage fee or other similar fee in connection with this Agreement, or the transactions contemplated hereby, by virtue of any actions taken by on or behalf of Purchaser, or its officers, employees or agents.

4.6 Financing. Purchaser will at Closing have sufficient funds to pay the Purchase Price pursuant to this Agreement and otherwise to satisfy its obligations hereunder.

4.7 Purchaser's Qualification. Except as set forth in Section 4.7 of the Disclosure Schedule, (i) Purchaser does not know of any fact or circumstance that could reasonably be expected to result in a finding by the FCC that Purchaser is not qualified legally, financially or otherwise to be the licensee of the Stations as its operations are now being conducted and (ii) except as set forth in Section 4.7 of the Disclosure Schedule, Purchaser does not know of any policy, rule, regulation or ruling of the FCC that could reasonably be expected to be violated by the acquisition of the Stations by Purchaser.

4.8 Accuracy and Completeness of Representations and Warranties. No representation or warranty made by Purchaser in this Article 4 contains any untrue statement of a material fact or omits a material fact necessary in order to make the representation or warranty not misleading.

Article 5. Covenants and Agreements.

5.1 Conduct of the Business Prior to Closing; Access. The Company covenants as follows:

(a) Between the date hereof and the Closing, except as contemplated by this Agreement or as described in either Section 3.7 or Section 5.1 of the Disclosure Schedule, or except with the consent of Purchaser (which consent shall not be unreasonably withheld), the Company will operate the Business in the ordinary course of business consistent with past practice and shall use commercially reasonable efforts to (1) preserve intact the Business and preserve the Business's relationships with customers, suppliers, licensees, licensors, the networks with whom the Stations are affiliated and others having business dealings with the Stations, (2) maintain the Business's inventory of supplies, parts and other materials and keep its books of account, records and files, in each case in the ordinary course of business consistent with past practice, (3) maintain the material items of Real Property, Leased Property and Equipment substantially in their present condition, ordinary wear and tear excepted, (4) pay or discharge all cash and barter obligations in the ordinary course of business, (5) bring current as of the Closing Date all payments due and payable under Program Contracts in accordance with their terms as in effect on the date hereof (with respect to Program Contracts existing as of the date hereof) or on the date originally entered into (with respect to Program Contracts entered into after the date hereof) and (6) maintain its corporate existence. Without limiting the generality of the foregoing, between the date hereof and the Closing, except as contemplated by this Agreement or as described in either Section 3.7 or Section 5.1 of the Disclosure Schedule, or except with the consent of Purchaser (which consent shall not be unreasonably withheld, except in the case of any consent relating to the entering into of any Program Contract providing for payments in excess of \$30,000 or having a term greater than one year (other than any Program Contract that will be fully satisfied, discharged and performed prior to the Closing), in which case Purchaser may grant or withhold its consent in its absolute discretion (and the parties hereto further agree that no such consent unreasonably withheld shall be taken into account in any determination of whether a Material Adverse Effect has occurred), and any consent shall be deemed given unless withheld in writing no later than four Business Days after Purchaser's receipt of a written request for such consent), the Company will not with respect to the Business:

(i) create, assume or subject any of the assets of the Business to any Encumbrance, other than Permitted Exceptions and Encumbrances that will be released at or prior to the Closing;

(ii) make any material changes in the operations of the Business;

(iii) other than, in each case, in the ordinary course of business consistent with past practice, sell, transfer, lease, sublease, license or otherwise dispose of any material assets of the Business, other than the sale of obsolete Equipment that has been or is replaced with Equipment of like kind;

(iv) (A) grant any increase, or announce any increase, in the wages, salaries, compensation, bonuses, incentives, pension or other benefits payable by the Company to any of the officers or key employees of the Business, including, without limitation, any increase or change pursuant to any Employee Benefit Plan, or (B) establish or increase or promise to increase or accelerate the payment or vesting of any benefits under any Employee Benefit Plan with respect to officers or employees of the Business, in the case of either (A) or (B) except (I) as required by Law, (II) that involve only increases consistent with the past practices of the Company but in no event more than 5%, (III) as required under any existing agreement or arrangement, (IV) that involve increases related to promotions to the extent such increases result in the compensation and benefits of the relevant employee being consistent with the compensation and benefits provided to the holder of such position in the past or (V) that relate to the supplemental executive retirement plans identified in Section 3.14 of the Disclosure Schedule;

(v) make any change in any method of accounting or accounting practice or policy used by the Company, other than as required by law or under GAAP;

(vi) fail to maintain in full force and effect all of its existing casualty, liability or other insurance through the Closing in amounts at least equal to those in effect on the date hereof;

(vii) make any capital expenditures in excess of \$500,000 in the aggregate that are not contemplated in the capital improvements budgeted for 1998;

(viii) (A) amend the payment terms of any Program Contract to provide that payments that would otherwise be made prior to the Closing are made after the Closing or (B) acquire, enter into, modify, change or extend the term of (x) any Program Contract providing for payments in excess of \$10,000 or with a term greater than one year or (y) Program Contracts not subject to clause (x) that in the aggregate provide for payments in excess of \$200,000;

(ix) acquire, enter into, modify, change or extend the term of any Material Contract, provided that this clause (ix) will not apply to the acquisition or entering into of any new Material Contract not otherwise subject to clauses (i) to (viii) or clauses (x) to (xvi) hereof with respect to which all Liabilities of the Company thereunder will be fully satisfied, discharged and performed prior to the Closing with no adverse effect on Purchaser;

(x) compromise, settle, grant any waiver or release relating to, or otherwise adjust, any material Action, material Liabilities or any other material claims or material rights;

(xi) enter into any new agreement, contract, commitment or arrangement with any Affiliate of the Company that will be binding upon Purchaser, the Assets or the Stations after the Closing;

(xii) apply to the FCC for any construction permit that would adversely affect the Stations' present operations, or make any material change in the Stations' buildings, leasehold improvements, or fixtures;

(xiii) except with respect to promotion during ratings sweep periods (which shall not be subject to this clause (xiii)), enter into any trade, barter or similar agreements (other than Program Contracts) for the sale of advertising time that would be binding on the Stations after the Closing for any property or services in lieu of or in addition to cash that requires the provision of broadcast time having a value that exceeds \$10,000 in any individual agreement or \$200,000 in the aggregate;

(xiv) take any action, or refrain from taking any action, that would constitute a material breach of, constitute a default (or event which with the giving of notice, or lapse of time or both, would become a default) under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, any Material Contract;

(xv) enter into or renew any time sales agreement except in the ordinary course of business for a term not exceeding 12 months; or

(xvi) enter into any agreement, contract, commitment or arrangement to do any of the foregoing.

(b) Pending the Closing, the Company shall:

(1) Give to Purchaser and its representatives reasonable access during normal business hours to all of the employees, properties, books and records of the Company and furnish Purchaser and its representatives with such information concerning the Company as Purchaser may reasonably require, including such access and cooperation as may be necessary to allow Purchaser and its representatives to interview the employees, to examine the books and records of the Company, and to inspect the Real Property and Equipment (which right of access shall not be exercised in any way which would unreasonably interfere with the normal operations, business or activities of the Company);

(2) Furnish to Purchaser within 20 days after the end of each month ending between the date of this Agreement and the Closing an unaudited statement of income and expense and a balance sheet for each Station for the month just ended; and

(3) From time to time, furnish to Purchaser such additional information (financial or otherwise) concerning the Company as Purchaser may reasonably request (which right to request information shall not be exercised in any way which would unreasonably interfere with the normal operations, business or activities of the Company).

(c) Pending the Closing, the Company will maintain the validity of the FCC Licenses and comply with all requirements and the rules and regulations of the FCC in the operation of the Stations and will prepare and timely file with the FCC and diligently prosecute any necessary applications for renewal of the FCC Licenses and for construction permit applications for digital television channels. The Company will deliver to Purchaser, within ten Business Days after delivery or receipt, copies of any reports, applications or communications to or from the FCC or its staff related to the Stations which are delivered or received between the date of this Agreement and the Closing Date.

(d) Pending the Closing, the Company will maintain the Business's promotional activities and expenditures in the aggregate in all material respects in accordance with the Company's budget and will use its reasonable best efforts to maintain all affiliation agreements with television networks for the Stations.

5.2 Post-Closing Covenants and Agreement, and Other Employee Benefit Matters. (a) Purchaser shall at all reasonable times after reasonable notice to Purchaser from and after the Closing, make available without cost, for inspection and/or copying by the Company and any Person that was a stockholder of the Company during any of the tax years (or portions thereof) immediately preceding the Closing for which the relevant statute of limitations (including any waiver thereof) has not expired, or their respective representatives, the books and records of the Business for such tax years (or portions thereof). Such books and records shall be preserved by Purchaser until the later of the closing by tax audit of, or the expiration of the relevant statute of limitations (including any waiver thereof) with respect to, all open tax periods of the Company and such stockholders prior to and including the time immediately prior to the Closing. After the period set forth above, Purchaser may destroy the books and records in its possession unless, before expiration of such notice period, a former stockholder objects in writing to the destruction of any or all of such books and records, in which case such books and records shall be delivered to the objecting Person at the expense of the objecting Person. Notwithstanding the foregoing, Purchaser shall continue to preserve and, at all reasonable times after the Closing, to make available without cost, for inspection and/or copying by any Person that was a trustee or other fiduciary under the Employee Benefit Plans identified in Section 5.2 of the Disclosure Schedule, the books and records of such Employee Benefit Plan and the books and records of the Business relating thereto.

(b) Effective as of the Closing, Purchaser shall offer employment to all then employees of the Business, on such terms and conditions as Purchaser shall establish (except that base cash compensation shall be comparable to their existing base cash compensation), subject to the terms of any collective bargaining agreement assumed by Purchaser under Section 5.2(e) and any employment agreements with specific Business Employees, and shall

assume responsibility for all inactive employees of the Business, subject to the terms of this Section 5.2 and the collective bargaining agreements assumed by Purchaser under Section 5.2(e); provided, however, that any employee of the Business who is not actively employed on the day of the Closing shall be offered employment by Purchaser following the end of any inactive period (whether on account of leave, layoff, injury or disability) but only to the extent that the Company would have been obligated to offer active employment to such person upon the end of such inactive period. Notwithstanding the foregoing, Purchaser shall not have any obligation to offer employment to any employees of the Corporate Office ("Corporate Office Employees"), as described in Section 5.2(b) of the Disclosure Schedule, and its only obligations with respect to Corporate Office Employees shall be to provide such benefits to Corporate Office Employees to which they would be entitled under the benefit plans assumed by Purchaser under Section 5.2(f), except under the New Pension Plan, and to provide COBRA benefits to the extent set forth in Section 5.2(k). Nothing in this Section 5.2(b) is intended to limit the ability of Purchaser to terminate the employment of any employee after the Closing.

(c) Subject to applicable law and the terms of any collective bargaining agreement assumed pursuant to this Agreement, Purchaser shall establish and maintain for a period of one year after the Closing Date or the term of their employment by Purchaser, whichever is less, for employees of the Business as of the Closing Date, benefits that, in the aggregate, are no less favorable than the benefits maintained by the Purchaser for similarly situated employees of Purchaser, provided that the foregoing will not prohibit or in any manner restrict Purchaser from terminating or changing the individual terms of employment of any Business Employee or require Purchaser to maintain any specific benefits or Employee Benefit Plans. Purchaser shall give employees of the Business as of the Closing Date and former and inactive Business Employees credit for their service with the Company or any of its Subsidiaries prior to the Closing, to the same extent that such service would have been credited by Purchaser (if they had been employed by Purchaser for such period of service), for all purposes under all employee benefit plans or arrangements maintained by Purchaser for current, former and inactive Business Employees (including any waiting periods). In addition, Purchaser shall, if applicable, (i) cause any pre-existing condition limitation to be waived and (ii) give effect, in determining any deductible and maximum out-of-pocket limitations, to claims incurred and amounts paid by, and amounts reimbursed to current, former and inactive Business Employees with respect to similar plans maintained by the Company prior to the Closing.

(d) Purchaser will assume and indemnify and hold harmless the Company Indemnified Parties against all Liabilities with respect to severance benefits arising in connection with or following the Closing pursuant to the agreements set forth in Sections 3.14.1 and 3.14.2 of the Disclosure Schedule (subject to the right of recovery set forth in Section 5.8(a)), or pursuant to any collective bargaining agreement or other agreements with Business Employees assumed either pursuant to this Agreement or by operation of law. With respect to all current and inactive Business Employees immediately prior to the Closing not covered by the agreements referenced in the immediately preceding sentence, (x) for a period ending not less than one year after the Closing Purchaser will provide such Business Employees with the same severance benefits as Purchaser provides for similarly situated

employees of Purchaser (which benefits, as of the date hereof, are described in Section 5.2(d) of the Disclosure Schedule) and (y) Purchaser will assume and indemnify and hold harmless the Company Indemnified Parties against all Liabilities with respect to severance benefits arising in connection with or following the Closing.

(e) From and after the Closing, Purchaser shall assume all of the collective bargaining agreements (including, without limitation, pursuant to the specified provisions of the collective bargaining agreements set forth in Section 5.2 of the Disclosure Schedule) and other labor contracts with respect to any Business Employees existing immediately prior to the Closing.

(f) From and after the Closing, Purchaser shall assume sponsorship of the WOKR-TV Partners 401(k) Plan, the New Pension Plan, and assume responsibilities of all Employee Benefits Plans that provide post-retirement life insurance or health, or short-term or long-term disability benefits and be responsible for any benefits under such Employee Benefit Plans (i) to which any current, former or inactive Business Employee or Corporate Office Employee, or a beneficiary or dependent of any current, former or inactive Business Employee or Corporate Office Employee (each a "Beneficiary"), has already become entitled, (ii) which commenced or (iii) to which any current, former or inactive Business Employee or Corporate Office Employee has already become qualified by reason of age and years of service as of the Closing, to the extent such persons are identified in Section 5.2(f) of the Disclosure Schedule (which section shall be updated, if necessary, at Closing). From and after the Closing, Purchaser shall also pay to the Business Employees and Corporate Office Employees listed in Section 5.2(f) of the Disclosure Schedule the supplemental retirement benefits provided under the applicable Guy Gannett supplemental retirement plan. The Company shall cause such Employee Benefit Plans to be amended to the extent necessary or appropriate to effect the foregoing.

(g) From and after the Closing, Purchaser shall assume and be responsible for any workers' compensation benefits payable to a Business Employee, Beneficiary or dependent of a Business Employee on or after the Closing, including any such benefits that are attributable to any injury or illness that occurred or existed prior to the Closing to the extent not covered by the Company's workers' compensation insurance policy.

(h) For a period of 90 days after the Closing, Purchaser shall not implement any employment terminations, layoffs or hours reductions or take any other action which could result in a "plant closing" or "mass layoff," as those terms are defined in the Worker Adjustment and Retraining Notification Act of 1988 ("WARN") or similar events under applicable state law, affecting in whole or in part any facility, site of employment or operating unit, or any employee employed by the Business, or which could require either Purchaser to give notice or take any other action required by WARN or applicable state law.

(i) With respect to the Guy Gannett Retirement Plan (the "Seller Pension Plan"), the Company and the Purchaser agree as follows:

(A) Prior to the Closing Date, the Company shall establish a spin off defined benefit plan (the "New Pension Plan") and trust (the "Trust") for the post-Closing benefit of the Business Employees and Beneficiaries who participate in the Seller Pension Plan. With respect to the Seller Pension Plan, Business Employees shall cease to accrue benefits and service credits under such Plan as of the Closing. As soon as practicable following the Closing, the Company shall cause its actuary to calculate the amount of assets to be allocated to the New Pension Plan for the benefit of the Business Employees. Such allocation shall be calculated under Section 414(l)(2) of the Code, without regard to paragraph 2(d) thereof. The Company shall cause the amount of assets (the "Section 414 Amount") (determined as of the end of the month in which the Closing occurs) to be transferred to the Trust. The Company shall not amend the Seller Pension Plan or the New Pension Plan to 100% vest Business Employees' benefits under such Plans. Contingent upon the transfer of the Initial Transfer Amount (as described in Section 5.2(i)(B) hereof) to the New Pension Plan, Purchaser shall assume all liabilities of the Company and its affiliates with respect to Business Employees and Beneficiaries under the Seller Pension Plan and Trust and shall become with respect to such Business Employees and Beneficiaries responsible for all acts, omissions and transactions under or in connection with such Seller Pension Plan and Trust, whether arising before, on or after the Closing, except (i) if the Company has obtained at or prior to the Closing a prepaid fiduciaries' insurance and indemnification policy substantially on the terms set forth in Section 5.2(i) of the Disclosure Schedule under which Purchaser is a named insured (a "Prepaid Fiduciary Insurance Policy"), except for liabilities arising out of willful misconduct or gross negligence of the trustees before the Closing and (ii) if the Company is unable to obtain such policy, except for liabilities arising out of willful misconduct, recklessness or negligence of the trustees before the Closing.

(B) All transfers to the New Pension Plan shall be made in accordance with the provisions of this Section 5.2(i). As soon as practicable, but in no event after the later of (i) 30 days after the Closing Date or (ii) 45 days after the filing of Form 5310A by each plan ("Initial Transfer Date"), the Company shall cause its trust to make an initial transfer of assets in cash (except as set forth in Section 5.1 of the Disclosure Schedule) equal to 80% of the amount estimated by the Company in good faith to be equal to X (as defined below) ("Initial Transfer Amount"). As soon as practicable after the final determination of the amounts to be transferred ("True-Up Date"), the Company shall, except as otherwise provided herein, cause a second transfer to be made in cash (except as set forth in Section 5.1 of the Disclosure Schedule) of the "True-Up Amount." The True-Up Amount shall be equal to the sum of the following amount with respect to the Seller Pension Plan:

(X minus Initial Transfer Amount), minus benefit payments and reasonable administration expenses attributable to Business Employees, adjusted for Earnings,

where X equals the Section 414 Amount, as of the last day of the month in which the Closing occurs. "Earnings" shall be calculated (i) from the last day of the month following the Closing until the Initial Transfer Date on the amount equal to the Initial Transfer Amount using the rate paid on a 90-day Treasury Bill on the auction date coincident with or immediately preceding the Closing, (ii) on an amount equal to X minus the sum of the Initial

Transfer Amount plus benefit payments and reasonable administrative expenses attributable to Business Employees using (A) with respect to the period from the end of the month in which the Closing Date occurs to the last day of the month preceding the True-Up Date, the cumulative rate of return (considering both gain and loss) earned or lost on the assets of the trust from which the True-Up Amount is being transferred and (B) with respect to the period from the first day of the month in which the True-Up Date occurs to the True-Up Date the rate paid on a 90-Day Treasury Bill on the auction date coincident with or immediately preceding the first day of the month in which the True-Up Date occurs. If the Initial Transfer Amount increased by benefit payments and reasonable administrative expenses attributable to Business Employees exceeds X, as soon as practicable following such determination Purchaser shall cause a transfer to be made in cash (except as set forth in Section 5.1 of the Disclosure Schedule) to the Seller Pension Plan equal to the difference between (a) the Initial Transfer Amount increased by the benefit payments and reasonable administrative expenses attributable to Business Employees and (b) X as (i) adjusted downward to reflect Earnings on X, minus benefits payments and reasonable administrative expenses, from the last day of the month in which the Closing occurs until the Initial Transfer Date using the rate paid on a 90-day Treasury Bill on the auction date coincident with or immediately preceding the Closing and (ii) adjusted upward to reflect Earnings on the Initial Transfer Amount increased by the benefit payments and reasonable administrative expenses attributable to Business Employees, and reduced by X from the Initial Transfer Date until the True-Up Date, such Earnings shall be calculated using (A) with respect to the period from that Initial Transfer Date to the last day of the month preceding such True-Up Amount transfer, the cumulative rate of return (considering both gain and loss) on the assets of the Seller Pension Plan and (B) with respect to the period from the first day of the month in which the True-Up Amount transfer occurs and the date of such True-Up Amount transfer, the rate paid on a 90-Day Treasury Bill on the auction date coincident with or immediately preceding the first day of the month in which the transfer occurs. The Initial Transfer Amount and True-Up Amount shall be transferred in cash (except as set forth in Section 5.1 of the Disclosure Schedule). Unless the parties agree otherwise, all transfers will occur on the last business day of a month. The amounts to be transferred pursuant to this Section 5.2(i) shall be adjusted to the extent necessary to satisfy Section 414(l) of the Code, and any regulations promulgated thereunder, ERISA Section 4044, and any regulations promulgated thereunder.

(C) For the purposes of this Section 5.2(i), the Section 414 Amount shall be determined by an enrolled actuary designated by the Company, using the same assumptions and methodologies used by the Company for valuation of the Seller Pension Plan for funding purposes under Sections 404 and 412 of the Code. The Company shall provide any actuary designated by Purchaser with all information reasonably necessary to review the calculation of the Section 414 Amount in all material respects and to verify that such calculations have been performed in a manner consistent with the terms of this Agreement. If there is a good faith dispute between the Company's actuary and the Purchaser's actuary as to the amount to be transferred to any plan, and such dispute remains unresolved for 15 days, the chief financial officers of the respective companies shall endeavor to resolve the issue. Should such dispute remain unresolved for 20 days, the Company and Purchaser shall select and appoint a third actuary who is mutually satisfactory to the parties hereto. Such third party actuary shall be instructed to render its decision within 20 days and such decision shall be conclusive as to

any dispute for which the third party actuary was appointed. The cost of such third party actuary shall be divided equally between the Company and Purchaser. Each party shall be responsible for the cost of its own actuary.

(D) Purchaser shall take all action necessary to qualify the New Pension Plan under the applicable provisions of the Code and Purchaser and the Company shall cooperate to make any and all filings and submissions to the appropriate governmental agencies required to be made by Purchaser as are appropriate in effectuating the provisions hereof.

(j) With respect to the Guy Gannet Voluntary Investment Plan (the "Defined Contribution Plan"), the Company and Purchaser agree as follows:

(A) The Business Employees shall cease to accrue benefits and service credits under the Defined Contribution Plan as of the Closing Date and, effective as of the Closing Date, Purchaser shall designate a savings plan (or plans) (in accordance with this Section 5.2(j)) ("Purchaser Savings Plan") and associated trust (or trusts) to hold the assets of the plan for the Business Employees, to be effective as of the Closing Date, and shall provide to the Company evidence reasonably satisfactory to the Company that the Purchaser Savings Plan and the associated trust have been established and that the Purchaser Savings Plan qualifies under the requirements of Section 401(a) of the Code, and that the trust is exempt from tax under Section 501(a) of the Code. The Company shall provide to Purchaser evidence reasonably satisfactory to Purchaser that the Defined Contribution Plan remains qualified under the requirements of Section 401(a) of the Code. Provided that the Company and Purchaser have received evidence reasonably satisfactory to them in accordance with the preceding sentences, as soon as is reasonably practicable following the Closing Date, the Company shall take or cause to be taken all action required or appropriate to transfer the account balances of all Business Employees and Beneficiaries to the trust associated with the Purchaser Savings Plan. Such transfers may be made in two installments (the first such installment being the aggregate amount of the applicable account balances as of the end of the last calendar quarter ended on the date of or prior to such transfer, and the second such installment being the aggregate amount of the remaining balances of such accounts, including, without limitation, the earnings on such accounts from the end of the calendar quarter used to determine the amount of the first transfer) and shall be made in cash (or, if the parties agree, in kind) in an amount equal to the value of the account balances to be transferred, determined as of the close of business on the last Business Day immediately preceding each such transfer, except that to the extent a Business Employee's or Beneficiary's account balance in the transferor plan includes one or more promissory notes evidencing a participant loan or loans, such promissory notes shall be transferred in kind for the Business Employee's or Beneficiary's credit under the transferee plan. For the period from the Closing Date until the transfer, Purchaser shall collect by payroll deduction and promptly pay over to the Defined Contribution Plan all loan payments required on participant loans made by the Defined Contribution Plan to any Business Employee and the Company shall cause the Defined Contribution Plan to administer and pay all distributions, withdrawals and loans payable under the terms of the Defined Contribution Plan to any Business Employee or Beneficiary until the transfer. Contingent upon the transfer of the account balances to each of the Purchaser

Savings Plans, Purchaser shall assume, and Parent shall cause Purchaser to assume, all liabilities of Company and its affiliates with respect to Business Employees and Beneficiaries under the Defined Contribution Plan and shall become with respect to such Business Employees and Beneficiaries responsible for all acts, omissions and transactions under or in connection with such Defined Contribution Plan, whether arising before, on or after the Closing, except (i) if the Company has obtained at or prior to the Closing a Prepaid Fiduciary Insurance Policy, except for liabilities arising out of willful misconduct or gross negligence of the trustees before the Closing and (ii) if the Company is unable to obtain such policy, except for liabilities arising out of willful misconduct, recklessness or negligence of the trustees before the Closing.

(k) From and after the Closing, Purchaser shall assume the Company's obligations and liabilities with respect to COBRA continuation coverage under Section 4980B of the Code and Section 601 of ERISA ("Continuation Coverage") with respect to Business Employees and Corporate Office Employees and shall provide Continuation Coverage to the Business Employees and Corporate Office Employees under Purchaser's health and medical plans (x) with respect to any Business Employees and Corporate Office Employees who remain employed with the Company through the Closing Date, for a period of eighteen months after the Closing or, if earlier, until becoming eligible for comparable coverage from another employer and (y) with respect to any Business Employees and Corporate Office Employees whose employment shall have terminated prior to the Closing, for remainder of the period with respect to which Continuation Coverage would otherwise have been available to them had the Company continued to maintain a group health plan. Purchaser shall also assume the Company's obligation and liability for reimbursement of COBRA premiums for six months to any Corporate Office Employee to whom the Company is so liable as of the Closing Date.

5.3 Cooperation. Following the execution of this Agreement, Purchaser and the Company agree as follows:

(a) The parties and their Affiliates shall each use their reasonable efforts, and shall cooperate fully with each other in preparing, filing, prosecuting, and taking any other actions with respect to, any filings (other than filings with the FCC, which are provided for in clause (b) below), applications, requests, or actions which are or may be necessary to obtain the consents, approvals, authorizations or other orders of any Governmental Authority which are or may be necessary in order to accomplish the transactions contemplated by this Agreement; and, without limiting the generality of the foregoing, the parties and their Affiliates shall use their respective reasonable efforts to prepare and file as promptly as practicable, but in any event no later than 15 Business Days after the date hereof, all of the information called for in the Notification and Report Form required under the HSR Act and to prepare and file any supplemental information, also in a timely fashion, which may be required by the United States Department of Justice or the Federal Trade Commission pursuant to such Notification and Report Form Filings, and otherwise to use their respective reasonable efforts to obtain the requisite clearances.

(b) The parties and their Affiliates shall cooperate fully with each other in preparing, filing, prosecuting, and taking any other actions with respect to filings with the FCC related to the transactions contemplated by this Agreement, including, without limitation, preparation of an application for the assignment of all of the FCC Licenses to Purchaser and any filings by Purchaser requesting temporary waivers for no more than nine months of the FCC's applicable ownership rules necessary to permit the parties to consummate the transactions contemplated by this Agreement. As promptly as practicable, but in any event not later than ten Business Days following the execution of this Agreement, the Company and Purchaser shall jointly file the application with the FCC requesting the FCC Consent. The Company and Purchaser shall use their respective reasonable best efforts, diligently take all necessary and proper actions and provide any additional information requested by the FCC in order to obtain promptly the FCC Consent, including, without limitation, requesting, consenting to, and taking and otherwise seeking any action in connection with, a temporary waiver of the FCC's applicable ownership rules or a divestiture order relating to WOKR-TV (Rochester, New York), WICS-TV (Springfield, Illinois) or any other Station where the ownership of such Station and any other television or radio station that Purchaser or its Affiliates acquires (or enters into an agreement to acquire) after the date hereof by Purchaser and its Affiliates would reasonably be expected to materially impede or materially delay the Closing (any such temporary waiver or divestiture order, an "Agreed Divestiture"). Notwithstanding the foregoing or any other provision of this Agreement, neither Purchaser nor its officers, directors or Affiliates shall request a permanent waiver of the FCC's applicable ownership rules or request, consent to, take or otherwise seek or pursue any action that is inconsistent with the transactions contemplated by this Agreement or that reasonably could be expected to materially impede or materially delay the FCC Consent or otherwise materially impede or materially delay the consummation of the transactions contemplated by this Agreement; and the receipt of any permanent waiver of the foregoing FCC rules shall not be a condition to the obligation of Purchaser to consummate the transactions contemplated hereby; provided further that, prior to obtaining the FCC Consent, neither Purchaser nor any of its officers, directors, or Affiliates shall publicly disclose the identity of any third party (other than any wholly owned subsidiary of Purchaser) that is contemplated as the future owner of any of the Stations other than WOKR-TV, Rochester, New York. Neither Purchaser nor any of its officers, directors or Affiliates will take any action that would result in any change in the matters set forth in Section 4.7 hereof that would reasonably be expected to materially delay or otherwise materially impair Purchaser's ability to consummate the transactions contemplated hereby; and the Company will not take any action that would result in any change in the matter set forth in clause (vi) of Section 3.12 hereof that would reasonably be expected to materially delay or otherwise materially impair the Company's ability to consummate the transactions contemplated hereby. After the date hereof, Purchaser or its Affiliates may enter into transactions that implicate the FCC multiple ownership rules so long as such transactions would not reasonably be expected to materially impede or materially delay the Closing. Notwithstanding the foregoing and except for the Agreed Divestitures, neither Purchaser nor the Company shall have any obligation to take any actions that would reasonably be expected to

require (i) the divestiture of any station owned or operated by Purchaser or its Affiliates on the date hereof or (ii) the termination or material modification of any local marketing agreement pursuant to which Purchaser or its Affiliates provides as of the date hereof all or substantially all of the programming for any stations ((i) and (ii) collectively a "Material Non-Agreed Divestiture").

(c) (i) If Purchaser (or its Affiliates) or the Company receives an administrative or other order or notification relating to any violation or claimed violation of the rules and regulations of the FCC, or of any Governmental Authority, that could affect Purchaser's or the Company's ability to consummate the transactions contemplated hereby, or (ii) should Purchaser (or its Affiliates) become aware of any fact (including any change in law or regulations (or any interpretation thereof by the FCC)) relating to the qualifications of Purchaser (and its controlling persons) that reasonably could be expected to cause the FCC to withhold the FCC Consent, Purchaser (in the case of clauses (i) and (ii)) or the Company (in the case of clause (i)) shall promptly notify the other party or parties thereof and shall use its reasonable best efforts to take such steps as may be necessary to remove any such impediment to the transactions contemplated by this Agreement; and no such notification shall affect the representations or warranties of the parties or the conditions to their respective obligations hereunder.

(d) The parties shall each use their reasonable best efforts to obtain as promptly as reasonably practical all consents that may be required in connection with the assignment to the Purchaser at Closing of all the Company's right, title and interest in and to all Material Contracts and all other agreements of the Business to which the Company is a party, provided that neither the Company nor Purchaser shall be required to make any payment to any party to any such Material Contract or other agreement in order to obtain any such consent.

(e) To the extent that there are third-party insurance policies maintained by the Company covering any Claims or Damages relating to the assets, business, operations, conduct and employees (including, without limitation, former employees) of the Business arising out of or relating to occurrences prior to the Closing, the Company shall use all reasonable efforts to cause Purchaser to be named as an additional insured with respect to such policies.

(f) Subject to the terms and conditions of this Agreement, each of the parties agrees to use its reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the Closing and the other transactions contemplated hereby as soon as practicable.

(g) The Company shall cooperate and cause its accountants, including, but not limited to, PriceWaterhouseCoopers L.L.P., to cooperate in all reasonable respects with Purchaser's request to conduct an audit of the Company's financial information as Purchaser may reasonably determine is necessary to satisfy Purchaser's public

company reporting requirements pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934, including, without limitation, (i) using commercially reasonable efforts to obtain the consent of the Company's auditors to permit Purchaser and Purchaser's auditors to have access to such auditor's work papers, and (ii) consenting to such access by Purchaser. All costs and expenses incurred in connection with the preparation (and assimilation of relevant information for) any such financial statements shall be paid by Purchaser.

5.4 Confidentiality.

(a) Prior to the Closing. The terms of the Confidentiality Agreement are herewith incorporated by reference and shall continue in full force and effect until the Closing and shall remain in effect in accordance with its terms even if this Agreement is terminated.

(b) Financial and Tax Information. Before and after the Closing, each of the parties shall maintain the confidentiality of the financial and tax information of the Persons other than the Company in the possession of the Company under terms similar to those set forth in the Confidentiality Agreement with respect to "Evaluation Material" as though such terms continued after the Closing.

5.5 Public Announcements. Except as otherwise required by law or the rules of any stock exchange, the form and substance of the initial public announcement of this Agreement and the transactions contemplated hereby, and the time of such announcement, shall be approved in advance by the parties and the parties shall not issue any other report, statement or press release or otherwise make any public announcement with respect to this Agreement and the transactions contemplated hereby without prior consultation in good faith with the other party hereto.

5.6 No Solicitation. The Company shall not, and shall cause its officers, directors, representatives, affiliates and associates not to, (a) initiate contact with, solicit, encourage or respond to any inquiries or proposals by, or (b) enter into any discussions or negotiations with, or disclose, directly or indirectly, any information concerning the Business to, or afford any access to the Company's properties, books and records to, any Person in connection with any possible proposal for the acquisition (directly or indirectly, whether by purchase, merger, consolidation or otherwise) of all or substantially all of the Business. The Company agrees to terminate immediately any such discussions or negotiations.

5.7 No Additional Representations. Purchaser acknowledges that it and its representatives have been permitted access to books and records, facilities, equipment, tax returns, contracts and agreements, insurance policies (or summaries thereof), and other properties and assets of the Company and that they and their representatives have had an opportunity to meet with the officers and employees of the Company to discuss the Company and its business, properties and assets. PURCHASER ACKNOWLEDGES THAT NEITHER THE COMPANY NOR ANY OTHER PERSON HAS MADE ANY REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION REGARDING THE COMPANY FURNISHED

5.10 Control of the Stations. Prior to the Closing, control of the Stations (including, without limitation, control over their finances, personnel and programming) shall remain with the Company. The Company and Purchaser acknowledge and agree that neither Purchaser nor any of its employees, agents or representatives, directly or indirectly, shall, or shall have any right to, control, direct or otherwise supervise the Stations, it being understood that supervision of all programs, equipment, operations and other activities of the Stations shall be the sole responsibility of, and at all times prior to the Closing remain under the complete control and direction of, the Company.

5.11 Use of Guy Gannett Name. After the Closing, neither Purchaser nor any of its Affiliates shall use "Guy Gannett" or "Gannett" (collectively, the "Excluded Names") or any name or term confusingly similar to "Guy Gannett" or "Gannett" in any corporate name or in connection with the operation of any business.

Article 6. Conditions to Obligations of Purchaser.

The obligations of Purchaser to consummate the transactions contemplated by this Agreement to occur at the Closing are, at their option, subject to satisfaction of each of the following conditions:

6.1 Representations and Warranties. The representations and warranties of the Company contained herein shall be true and correct at and as of the Closing Date as though each such representation and warranty were made at and as of such time, other than such representations and warranties as are made as of a specific date, in each case except for changes that are expressly contemplated by this Agreement and except for such failures to be true and correct that would not reasonably be expected to have a Material Adverse Effect.

6.2 Performance by the Company. All of the covenants and agreements to be complied with and performed by the Company on or before the Closing Date shall have been complied with or performed, except for such failures to comply with or perform that would not reasonably be expected to have a Material Adverse Effect.

6.3 Certificate. The Company shall have delivered to Purchaser a certificate, dated as of the Closing Date, executed on behalf of the Company by its duly authorized officers or representatives to the effect of Sections 6.1 and 6.2.

6.4 Consents; No Objections. (i) The applicable waiting periods under the HSR Act shall have expired or been terminated; and

(ii) The parties shall have received all the authorizations, consents, orders and approvals from Governmental Authorities and consents from third parties, in each case listed or described in Section 6.4 of the Disclosure Schedule (which Section includes all of the Company's real estate leases for towers, transmitters and television broadcasting studios).

(iii) The parties shall have received all authorizations, consents, orders and approvals from Governmental Authorities necessary to transfer the material Permits relating to the operation of the Stations' towers, transmitters and television broadcasting studios as such facilities are operating on the date hereof, except in each case where the failure to receive such authorizations, consents, orders or approvals would not reasonably be expected to materially adversely affect the operations of such facilities, or where such authorizations, consents, orders or approvals are customarily obtained after the Closing of a transaction of this nature.

6.5 No Proceedings or Litigation. No preliminary or permanent injunction or other order or decree issued by any United States federal or state Governmental Authority, nor any Law promulgated or enacted by any United States federal or state Governmental Authority, that restrains, enjoins or otherwise prohibits the transactions contemplated hereby or limits the ability in any material respect of the rights of the Company to hold its assets (excluding the FCC Licenses) and conduct its business as it is being conducted as of the Closing Date, or imposes civil or criminal penalties on any stockholder, director or officer of Purchaser if such transactions are consummated, shall be in effect.

6.6 [Intentionally omitted]

6.7 FCC Consent. The FCC Consent shall have been issued with respect to the Stations without any conditions that are materially adverse to Purchaser notwithstanding that it may not have yet become a Final Order, provided that, if one or more pre-grant objections shall have been filed with respect to the applications required by Section 5.3(b) hereof, it shall be a condition precedent that the FCC Consent shall have become a Final Order. For purposes hereof, any conditions to the FCC Consent requiring an Agreed Divestiture will not be considered a condition materially adverse to Purchaser, and any such condition requiring a Material Non-Agreed Divestiture will be considered a condition materially adverse to Purchaser.

6.8 No Material Adverse Change. Since the date of this Agreement through the Closing Date, there shall not have occurred any Material Adverse Effect.

6.9 Opinions of Counsel. Purchaser shall have received (a) an opinion of Preti, Flaherty, Beliveau & Pachios, dated the Closing Date, substantially in the form of Exhibit D-1 hereto, (b) an opinion of Simpson Thacher & Bartlett, dated the Closing Date, substantially in the form of Exhibit D-2 hereto and (c) an opinion of Dow, Lohnes & Albertson, dated the Closing Date, substantially in the form of Exhibit D-3 hereto.

6.10 Good Standing Certificate. Purchaser shall have received a certificate as to the formation and good standing of the Company issued by the Secretary of State of Maine, dated not more than five days before the Closing Date.

6.11 No Transmission Defects. There shall not exist any loss or damage at any of the Stations which has resulted in the regular broadcast transmission of such Station (including its effective radiated power) to be diminished in any material respect; provided,

that if any such loss or damage does exist, then either or both of the Company and Purchaser shall be entitled, by written notice to the other, to postpone the Closing Date for a period of up to 60 days to resume such Station's broadcast transmission.

Article 7. Conditions to Obligations of the Company.

The obligations of the Company to consummate the transactions contemplated by this Agreement to occur at the Closing are, at its option, subject to satisfaction of each of the following conditions:

7.1 Representations and Warranties. The representations and warranties of Purchaser contained herein shall be true and correct in all material respects at and as of the Closing Date as though each such representation and warranty were made at and as of such time, other than such representations and warranties as are made as of a specific date, in each case except for changes that are expressly contemplated by this Agreement.

7.2 Performance by Purchaser. All of the covenants and agreements to be complied with and performed by Purchaser on or prior to the Closing Date shall have been complied with or performed, in all material respects, except for such failures to comply with or perform that would not, individually or in the aggregate, reasonably be expected to be materially adverse to the Company.

7.3 Certificate. Purchaser shall have delivered to the Company a certificate, dated as of the Closing Date, executed on behalf of Purchaser by its duly authorized officers or representatives to the effect of Sections 7.1 and 7.2.

7.4 Consents; No Objections. (i) The applicable waiting periods under the HSR Act shall have expired or been terminated; and

(ii) The parties shall have received all the authorizations, consents, orders and approvals from Governmental Authorities and consents from third parties, in each case listed or described on Section 7.4 to the Disclosure Schedule.

7.5 No Proceedings or Litigation. No preliminary or permanent injunction or other order or decree issued by any United States federal or state Governmental Authority, nor any Law promulgated or enacted by any United States federal or state Governmental Authority, that restrains, enjoins or otherwise prohibits the transactions contemplated hereby, or imposes civil or criminal penalties on any stockholder, director or officer of the Company if such transactions are consummated, shall be in effect.

7.6 FCC Consent. The FCC Consent shall have been issued with respect to the Stations, notwithstanding that it may not have yet become a Final Order, provided that, if one or more pre-grant objections shall have been filed with respect to the applications required by Section 5.3(b) hereof, it shall be a condition precedent that the FCC Consent shall have become a Final Order.

7.7 Opinion of Counsel. The Company shall have received an opinion of Thomas & Libowitz, P.A. dated the Closing Date, covering the same matters covered by the opinions referred to in Section 6.9 hereof and in form and substance reasonably satisfactory to the Company.

7.8 Good Standing Certificate. The Company shall have received a certificate as to the formation and good standing of Purchaser issued by the Secretary of State of Maryland, dated not more than five days before the Closing Date.

Article 8. Indemnification

8.1 Indemnification by the Company. Subject in all respects to the provisions of this Article 8, the Company hereby agrees to indemnify and hold harmless on and after the Closing Date, Purchaser and its stockholders and Affiliates and their respective officers, directors, employees and agents, and their respective successors and permitted assigns (the "Purchaser Indemnified Parties") from and against any Claims and Damages asserted against or incurred by them, directly or indirectly, in connection with, arising out of or relating to (i) any breach on the part of the Company of any representation or warranty made by the Company in Article 3 hereof or in any certificate delivered pursuant to Section 6.3 of this Agreement, (ii) any breach on the part of the Company of any covenant or agreement made by the Company in this Agreement, (iii) any breach on the part of the Company of any representation or warranty made by the Company in any special warranty deed delivered to Purchaser pursuant to clause (ii) of Section 1.7(a) hereof and (iv) any Retained Liabilities.

8.2 Indemnification by Purchaser. Subject in all respects to the provisions of this Article 8, Purchaser hereby agrees to indemnify and hold harmless on and after the Closing Date the Company and its stockholders and Affiliates and their respective officers, directors, employees and agents, and their respective successors and permitted assign (collectively the "Company Indemnified Parties"), from and against any Claims and Damages asserted against or incurred by them, directly or indirectly, in connection with, arising out of or relating to (i) any breach on the part of Purchaser of any representation or warranty made by Purchaser in Article 4 hereof or in any certificate delivered pursuant to Section 7.3 of this Agreement, (ii) any breach on the part of Purchaser of any covenant or agreement made by the Purchaser in this Agreement or (iii) any Assumed Liabilities.

8.3 Limitations on Indemnification Claims and Liability; Termination of Indemnification. (a) The obligations to indemnify and hold harmless a Person (i) pursuant to Sections 8.1(i), 8.1(ii), 8.1 (iii), 8.2(i) or 8.2(ii) shall terminate when the applicable representation, warranty, covenant or agreement terminates pursuant to Section 10.12 and (ii) pursuant to Section 8.1(iv) or 8.2(iii) shall not terminate; provided, however, that as to clause (i) above the obligation to indemnify and hold harmless shall not terminate with respect to any claim as to which the Person to be indemnified shall have, before the termination of the applicable representation, warranty, covenant or agreement, previously made a claim for indemnification by delivering a notice to the indemnifying party in accordance with Section 8.5.

(b) The Company shall not be obligated to indemnify or hold harmless any Purchaser Indemnified Party under Sections 8.1(i), 8.1(ii) or 8.1(iii) unless and until all Claims or Damages in respect of the indemnification obligations of the Company under Sections 8.1(i), 8.1(ii) and 8.1(iii) exceed in the aggregate \$550,000, in which case the Company will (subject to the other provisions of this Article 8) only be obligated to indemnify and hold harmless the Purchaser Indemnified Parties for all of such Claims or Damages under Sections 8.1(i), 8.1(ii) and 8.1(iii) in the aggregate in excess of \$275,000, provided that the provisions of this Section 8.3(b) will not apply to any breach of any Post-Closing Agreements.

(c) Notwithstanding anything to the contrary in this Agreement and except for fraud, the sole and exclusive recourse, remedy and source of funds available to satisfy any claims for indemnification by the Purchaser Indemnified Parties pursuant to Sections 8.1(i), 8.1(ii) and 8.1(iii) shall be the amount of the Security Escrow then held on deposit with the Security Escrow Agent subject to the terms and conditions of the Security Escrow Agreement, and the Purchaser Indemnified Parties will have no recourse against the assets of the Company (other than the Security Escrow then held on deposit with the Security Escrow Agent) in respect of any such claim. Without limiting the foregoing, the maximum aggregate liability of the Company with respect to all claims for indemnification under Sections 8.1(i), 8.1(ii) and 8.1(iii) will be limited to the amount of the Security Escrow held on deposit from time to time with the Security Escrow Agent.

(d) Notwithstanding anything to the contrary in this Agreement, the indemnifications in Sections 8.1 and 8.2 hereof will be the sole and exclusive remedies available to Purchaser and the Company and their respective stockholders and Affiliates and all of their respective officers, directors, employees, agents, successors and assigns, after the Closing for any claims arising out of or relating to any breaches of any representations or warranties or any covenants or agreements contained in this Agreement, or any certificate delivered pursuant to this Agreement or otherwise in connection with this Agreement. Any claim for indemnification must be made as provided in Sections 8.5 and 8.6 hereof.

8.4 Computation of Claims and Damages. Whenever the Indemnitor is required to indemnify and hold harmless the Indemnitee from and against and hold the Indemnitee harmless from, or to reimburse the Indemnitee for, any item of Claim or Damage, the Indemnitor will, subject to the provisions of this Article 8, pay the Indemnitee the amount of the Claim or Damage (i) reduced by any amounts to which the Indemnitee is entitled from third parties in connection with such Claim or Damage ("Reimbursements"), (ii) reduced by the Net Proceeds of any insurance policy payable to the Indemnitee with respect to such Claim or Damage and (iii) reduced appropriately to take into account any Tax Benefit to the Indemnitee with respect to such Claim or Damage through and including the tax year in which the indemnification payment is made, net of all income Taxes resulting or that will result from the indemnification payment. For purposes of this Section 8.4, (x) "Net Proceeds" shall mean the insurance proceeds payable, less any deductibles, co-payments, premium increases, retroactive premiums or other payment obligations (including attorneys' fees and other costs of collection) that relates to or arises from the making of the claim for indemnification and (y) "Tax Benefit" shall mean any benefit to be recognized by the

Indemnitee in connection with the Claim or Damage based upon the highest blended (federal, state, local and foreign) marginal income Tax rate applicable to the Indemnitee during the taxable year for which a return was most recently filed with the Internal Revenue Service (based on the date of the claim for indemnification). The Indemnitor shall use commercially reasonable efforts (the expenses of which shall be considered Claims and Damages for purposes of the relevant indemnity claim) to pursue Reimbursements or Net Proceeds that may reduce or eliminate Claims and Damages. If any Indemnitee receives any Reimbursement, Tax Benefit or Net Proceeds after an indemnification payment is made which relates thereto or if any Indemnitee receives a Tax Benefit arising after the tax year in which an indemnification payment is made which relates thereto, the Indemnitee shall promptly repay to the Indemnitor (or to the Security Escrow if such repayment is made by a Purchaser Indemnified Party prior to the termination of the Security Escrow) such amount of the indemnification payment as would not have been paid had the Reimbursement, Tax Benefit or Net Proceeds reduced the original payment (any such repayment shall be a credit against any applicable indemnification threshold or limitation set forth in Section 8.3(b) hereof) at such time or times as and to the extent that such Reimbursement, Tax Benefit or Net Proceeds is actually received.

8.5 Notice of Claims. Upon obtaining knowledge of any Claim or Damage which has given rise to, or could reasonably give rise to, a claim for indemnification hereunder, the Person seeking indemnification (the "Indemnitee") shall, as promptly as reasonably practicable (but in no event later than 30 days) following the date the Indemnitee has obtained such knowledge, give written notice (a "Notice of Claim") of such claim to the other party (the "Indemnitor"). The Indemnitee shall furnish to the Indemnitor in good faith and in reasonable detail such information as the Indemnitee may have with respect to such indemnification claim (including copies of any summons, complaint or other pleading which may have been served on it and any written claim, demand, invoice, billing or other document evidencing or asserting the same). No failure or delay by the Indemnitee in the performance of the foregoing shall reduce or otherwise affect the obligation of the Indemnitor to indemnify and hold the Indemnitee harmless, except to the extent that such failure or delay shall have adversely affected the Indemnitor's ability to defend against, settle or satisfy any liability, damage, loss, claim or demand for which such Indemnitee is entitled to indemnification hereunder. For purposes of this Section 8.5, a Notice of Claim given in good faith must include a good faith estimate of the amount of the claim to the extent it is reasonably practicable to determine such estimate (and, if it is not practicable to determine such estimate and the claim is made by a Purchaser Indemnified Party, the amount of the Security Escrow proposed in good faith to be reserved with respect to such claim).

8.6 Defense of Third Party Claims. If any claim set forth in the Notice of Claim given by an Indemnitee pursuant to Section 8.5 hereof is a claim asserted by a third party, the Indemnitor shall have 30 days after the date that the Notice of Claim is given by the Indemnitee to notify the Indemnitor in writing of the Indemnitor's election to defend such third party claim on behalf of the Indemnitee. If the Indemnitor elects to defend such third party claim, the Indemnitee shall make available to the Indemnitor and its agents and representatives all witnesses, pertinent records, materials and information in the Indemnitee's possession or under the Indemnitee's control as is reasonably required by the Indemnitor and

shall otherwise cooperate with and assist the Indemnitor in the defense of such third party claim, and so long as the Indemnitor is defending such third party claim in good faith, the Indemnatee shall not pay, settle or compromise such third party claim. If the Indemnitor elects to defend such third party claim, the Indemnatee shall have the right to participate in the defense of such third party claim, at the Indemnatee's own expense. In the event, however, that the Indemnatee reasonably determines that representation by counsel to the Indemnitor of both the Indemnitor and the Indemnatee may present such counsel with a conflict of interest, then such Indemnatee may employ separate counsel to represent or defend it in any such action or proceeding and the Indemnitor will, subject to the provisions of this Article 8, pay the reasonable fees and disbursements of such counsel. If the Indemnitor does not elect to defend such third party claim or does not defend such third party claim in good faith, the Indemnatee shall have the right, in addition to any other right or remedy it may have hereunder, at the Indemnitor's expense, to defend such third party claim; provided, however, that such Indemnatee's defense of or its participation in the defense of any such third party claim shall not in any way diminish or lessen the indemnification obligations of the Indemnitor under this Article 8. If the Indemnitor shall assume the defense of a third party claim, it shall not settle such claim without the prior written consent of the Indemnatee (i) unless such settlement includes as an unconditional term thereof the giving by the claimant of a release of the Indemnatee from all Liability with respect to such claim or (ii) if such settlement involves the imposition of equitable remedies or the imposition of any obligations on such Indemnatee other than financial obligations for which such Indemnatee will be indemnified hereunder. If the Indemnatee is defending a third party claim it will not settle such claim without prior written consent of the Indemnitor, which will not be unreasonably withheld or delayed.

8.7 Assignment of Indemnification and Other Rights. (a) The parties hereto acknowledge that the Company may at any time after the Closing assign (by contract, dividend, distribution or otherwise) to its stockholders, or to any other Person or Persons acting directly or indirectly on behalf of the Company or such stockholders for such purpose, any or all of the Company's rights in and to the Security Escrow, the Adjustment Escrow and/or any or all of the Company's contractual rights to indemnification by the Purchaser under this Agreement.

(b) If all of the Company's rights to and in the Security Escrow shall have been so assigned to the stockholders and/or such other Person or Persons (the stockholders in such capacity or such other Person or Persons being referred to herein as the "Fund Holder"), then the Fund Holder may exercise all rights of the Company under this Article 8. For the avoidance of doubt, the Fund Holder will not assume or have any obligation or liability under Section 8.1.

(c) Notwithstanding anything to the contrary in this Agreement, Purchaser hereby agrees that any action, suit or proceeding brought with respect to any indemnification obligation under Section 8.2 hereof may be brought against Purchaser by the Company, the Representatives or the Fund Holder.

(d) Each of the Purchaser Indemnified Parties and the Company Indemnified Parties shall be third party beneficiaries, and entitled to enforce the provisions of, this Article 8.

Article 9. Definitions.

Unless otherwise stated in this Agreement, the following capitalized terms have the following meanings:

Accounting Firm Determination has the meaning set forth in Section 2.2 hereof.

Action means any action, suit, claim, arbitration, or proceeding or investigation (of which the Company has knowledge) commenced by or pending before any Governmental Authority.

Actual Net Financial Assets has the meaning set forth in Section 2.2.

Adjustment has the meaning set forth in Section 2.2 hereof.

Adjustment Escrow has the meaning set forth in Section 2.1 hereof.

Adjustment Escrow Agent has the meaning set forth in Section 2.2 hereof.

Adjustment Escrow Agreement has the meaning set forth in Section 2.2 hereof.

Adjustment Agreement has the meaning set forth in Section 2.2 hereof.

Affiliate means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such specified Person.

Agreed Divestiture has the meaning set forth in Section 5.3 hereof.

Agreement or this Agreement means this Purchase Agreement dated as of the date first above written (including the Exhibits hereto and the Disclosure Schedule) and all amendments hereto made in accordance with the provisions of Section 10.8 hereof.

Allocation has the meaning set forth in Section 2.5 hereof.

Assets has the meaning set forth in Section 1.1 hereof.

Assumed Liabilities has the meaning set forth in Section 1.3 hereof.

Audited Financial Statements has the meaning set forth in Section 3.5 hereof.

Beneficiary has the meaning set forth in Section 5.2 hereof.

Bill of Sale, Assignment and Assumption Agreement has the meaning set forth in Section 1.7 hereof.

Business means the Company's broadcast television business, including all business, operations and activities of the Stations.

Business Employees means all current, former and inactive employees of the Business. For the avoidance of doubt, Corporate Office Employees will not be considered Business Employees.

Business Day means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in the City of New York.

Call Letters has the meaning set forth in Section 3.16 hereof.

CERCLA means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

Claims and Damages means any and all losses, claims, demands, liabilities, obligations, actions, suits, orders, statutory or regulatory compliance requirements, or proceedings asserted by any Person (including, without limitation, Governmental Authorities), and all damages, costs, expenses, assessments, judgments, recoveries and deficiencies, including interest, penalties, investigatory expenses, consultants' fees, and reasonable attorneys' fees and costs (including, without limitation, costs incurred in enforcing the applicable indemnity), of every kind and description, contingent or otherwise, incurred by or awarded against a party, provided that "Claims and Damages" shall not include any indirect, consequential, incidental, exemplary or punitive damages or other special damages or lost profits (except to the extent payable to a third party as a result of a third party claim).

Closing has the meaning set forth in Section 1.6 hereof.

Closing Date has the meaning set forth in Section 1.6 hereof.

Closing Statement has the meaning set forth in Section 2.2 hereof.

Code means the Internal Revenue Code of 1986, as amended.

Communications Act means the Communications Act of 1934, as amended.

Company has the meaning specified in the introductory paragraph to this Agreement.

Company Indemnified Parties shall have the meaning set forth in Section 8.2.

Confidential Memorandum means the confidential information memorandum relating to the Company's television broadcasting properties dated May 1998 distributed by Lazard Frères & Co. LLC on behalf of the Company.

Confidentiality Agreement means the confidentiality agreement dated May 1998 between Purchaser and Lazard Frères & Co. LLC on behalf of the Company.

Continuation Coverage has the meaning set forth in Section 5.2 hereof.

Contribution Agreement means the Amended and Restated Contribution Agreement dated as of August 14, 1998 by and between Newco and the Company as such agreement may be amended or modified.

Control (including the terms "controlled by" and "under common control with"), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or to cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, by contract or otherwise, including, without limitation, the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.

Corporate Office means the corporate office of the Company located at One City Center, Portland, Maine, that provides certain support to the Business and the Maine Media Business.

Corporate Office Employees has the meaning set forth in Section 5.2.

Corporate Office Lease means the Lease dated as of February 16, 1989 between the Company and One City Center Associates, and all addenda and amendments thereto and memoranda relating thereto.

Defined Contribution Plan has the meaning set forth in Section 5.2 hereof.

Disclosure Schedule means the Disclosure Schedule, dated as of the date hereof, delivered to Purchaser by the Company in connection with this Agreement.

Employee Benefit Plans means all "employee benefit plans" within the meaning of Section 3(3) of ERISA, all bonus, stock option, stock purchase, incentive, deferred compensation, supplemental retirement, severance and other employee benefit plans, programs, policies or arrangements, employment agreements, severance agreements, severance pay policies, plant closing benefits, executive compensation arrangements, sick leave, vacation pay, salary continuation for disability, consulting, or other compensation arrangements, worker's compensation, hospitalization, medical insurance, life insurance, tuition reimbursement or scholarship programs, employee

discounts, employee loans, employee banking privileges, any plans subject to Section 125 of the Code, and any plans providing benefits or payments in the event of a change of control, change in ownership, or sale of a substantial portion (including all or substantially all) of the assets of any business or portion thereof, in each case with respect to any present or former employees, directors, or agents and without regard to whether the plan or arrangement was previously terminated (if potential liabilities remain) or compensation agreements, in each case for the benefit of, or relating to, any current employee or former employee of the Business.

Encumbrance means any security interest, pledge, mortgage, lien (including, without limitation, tax liens), charge, encumbrance, easement, adverse claim, preferential arrangement, restriction or defect in title.

Environmental Claims means any and all actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigations, proceedings, consent orders or consent agreements relating in any way to any Environmental Law, any Environmental Permit, Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation (a) by Governmental Authorities for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any Person for damages, contributions, indemnification, cost recovery, compensation or injunctive relief.

Environmental Law means any Law relating to the environment, health, safety or Hazardous Materials, in force and effect on the date hereof or, in the case of the Company's certificate to be delivered in accordance with the provisions of Section 6.3 hereof, on the Closing Date (exclusive of any amendments or changes to such Law or any regulations promulgated thereunder or orders, decrees or judgments issued pursuant thereto which are enacted, promulgated or issued after the date hereof, or in the case of such certificate, on or after the Closing Date), including but not limited to CERCLA; the Resource Conservation and Recovery Act of 1986 and Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§6901 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §§6901 et seq.; the Clean Water Act, 33 U.S.C. §§1251 et seq.; the Toxic Substances Control Act of 1976, 15 U.S.C. §§2601 et seq.; the Clean Air Act of 1966, as amended, 42 U.S.C. §§7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§300f et seq.; the Atomic Energy Act, 42 U.S.C. §§2011 et seq.; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§136 et seq.; and the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§1101 et seq.

Environmental Permits means all permits, approvals, identification numbers, licenses and other authorizations required under any applicable Environmental Law.

Equipment means all of the tangible personal property, machinery, equipment, vehicles, rolling stock, furniture, and fixtures of every kind and description in which the Company has an interest, by ownership or lease, and used or useful in connection

with the Business together with any replacements thereof, or additions thereto made in the ordinary course of business between the date hereof and the Closing Date.

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

Excluded Assets has the meaning set forth in Section 1.2 hereof.

Excluded Names has the meaning set forth in Section 5.11 hereof.

FCC means the Federal Communications Commission.

FCC Consent means a public notice of the FCC, or of the Chief, Mass Media Bureau or Video Services Division, acting under delegated authority, consenting to the assignment of the FCC Licenses to Purchaser.

FCC Licenses means all licenses, permits and other authorizations issued by the FCC to the Company used for or in connection with the Stations, and all applications therefor, together with any renewals, extensions or modifications thereof and additions thereto between the date hereof and the Closing.

Final Order means the FCC Consent as to which the time for filing a request for administrative or judicial review, or for instituting administrative review *sua sponte*, shall have expired without any such filing having been made or notice of such review having been issued; or, in the event of such filing or review *sua sponte*, as to which such filing or review shall have been disposed of favorably to the grantee and the time for seeking further relief with respect thereto shall have expired without any request for such further relief having been filed.

Financial Statements has the meaning set forth in Section 3.5 hereof.

Fund Holder has the meaning set forth in Section 8.7 hereof.

GAAP means United States generally accepted accounting principles and practices as in effect from time to time and applied consistently throughout the periods involved.

Guy Gannett Trust means the trust created under the last will and testament of Guy P. Gannett.

Governmental Authority means any United States federal, state or local government or any foreign government, any governmental, regulatory, legislative, executive or administrative authority, agency or commission or any court, tribunal, or judicial body.

Governmental Order means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority. Governmental Orders shall not include Permits.

Hazardous Materials means wastes, substances, materials (whether solids, liquids or gases), petroleum and petroleum products, byproducts or breakdown products, radioactive materials, and any other chemicals that are deemed hazardous, toxic, pollutants or contaminants, or substances designated, classified or regulated as being "hazardous" or "toxic," or words of similar import, under any Environmental Law.

HSR Act means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

Indebtedness means obligations with regard to borrowed money and shall expressly not include either accounts payable or accrued liabilities that are incurred in the ordinary course of business or obligations under operating leases regardless of how such leases may be classified or accounted for on financial statements.

Indemnatee has the meaning set forth in Section 8.5 hereof.

Indemnitor has the meaning set forth in Section 8.5 hereof.

Initial Transfer Amount has the meaning set forth in Section 5.2 hereof.

Initial Transfer Date has the meaning set forth in Section 5.2 hereof.

Intellectual Property means all patents, trademarks, trade names, service marks, copyrights and other similar intangible assets, and applications, registrations, extensions and renewals for any of the foregoing, and other intellectual property owned, leased or used by the Company in the Business, including, without limitation, Call Letters, computer software and programs, of the Company used in the Business, whether owned or used by, or licensed to, the Company.

Knowledge with respect to the Company means, exclusively, information of which the President and Chief Executive Officer or the Chief Financial Officer of the Company, or any other employee of the Company designated as a "vice president" or having primary responsibility for environmental, employee benefits or labor matters has knowledge after conduct of reasonable inquiry of the appropriate Company employees having supervisory responsibility for the matter concerned, including, without limitation, the general managers of the Stations.

Law means any federal, state, local or foreign statute, law, ordinance, regulation, rule, code, order or other requirement or rule of law including, without limitation zoning laws and housing, building, safety or fire ordinances or codes.

Leased Property means all real property of every kind and description leased by the Company and used in connection with the Business, together (to the extent leased by the Company) with all buildings and other structures, towers, antennae, facilities or improvements currently or hereafter located thereon, all fixtures, systems, equipment and items of personal property of the Company attached or appurtenant thereto and all easements, licenses, rights and appurtenances relating to the foregoing, including, without limitation, the leased property referred to in Section 1.1(c) of the Disclosure Schedule.

Liabilities means as to any Person all debts, adverse claims, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured, determined or determinable, known or unknown, including, without limitation, those arising under any federal, state, local or foreign statute, law, ordinance, regulation, rule, code, order, writ, stipulation or other governmental requirement (including, without limitation, any environmental law), action, suit, arbitration, proceeding or investigation or governmental permit, license, authorization, certificate or approval and those arising under any contract, agreement, arrangement, commitment or undertaking.

Maine Media Business means the newspaper publishing business which publishes the *Portland Press Herald* and *Maine Sunday Telegram*, the *Kennebec Journal* and the *Central Maine Morning Sentinel*, and certain related businesses in Maine (including, without limitation, the "New Media Development Group," an Internet-based media business; "Voice Information Services," a telephone information and marketing service; "Guy Gannett Direct," a direct marketing operation; a telephone directory business; an integrated marketing group; and the *Coastal Journal*, a controlled circulation weekly), and all assets, liabilities, operations and activities of, and all rights of, the Company in the operations of such businesses that are to be contributed to, or assumed by, Newco, all as more particularly described in the Contribution Agreement. Notwithstanding anything to the contrary in this Agreement, the Maine Media Business does not include the WGME-TV television broadcasting station licensed to Portland, Maine ("WGME") or rights to WGME's news and information content provided via online or audiotext applications of the New Media Development Group or Voice Information Services.

Maine Media Purchase Agreement means the Purchase Agreement dated as of August 14, 1998 by and among the Company, Newco, Seattle Times Company and Times Communications Co.

Material Adverse Effect means any circumstance, change in, or effect on the Company that has a material adverse effect on the business, results of operations or financial condition of the Business; provided, however, that Material Adverse Effect shall not include adverse effects resulting from (or, in the case of effects that have not yet occurred, reasonably likely to result from) (i) general economic or industry conditions that have a similar effect on other participants in the industry, (ii) regional economic or industry conditions that have a similar effect on other participants in the

industry in such region, (iii) the failure of Purchaser to give any requested consent pursuant to Section 5.1(a) or (iv) any act of Purchaser.

Material Contracts means the written agreements (including, without limitation, amendments thereto), contracts, policies, plans, mortgages, understandings, arrangements or commitments relating to the Business, to which the Company is a party or by which its assets are bound as described below:

(i) any agreement or contract providing for payments to any Person in excess of \$50,000 per year or \$250,000 in the aggregate over the five-year period commencing on the date hereof;

(ii) all time brokerage agreements and affiliation agreements with television networks;

(iii) any license or contract pursuant to which the Company is authorized to broadcast film or taped programming supplied by others in excess of \$10,000 or having a term of more than one year;

(iv) any employment agreement, consulting agreement or similar contract providing for payments to any individual in excess of \$50,000 per year or \$100,000 in the aggregate over the five-year period commencing on the date hereof;

(v) any retention or severance agreement or contract with respect to any Person who is to be employed by Purchaser following the Closing;

(vi) all collective bargaining agreements or other union contracts;

(vii) (A) any lease of Real Property or (B) any lease of Equipment or license with respect to Intellectual Property (other than licenses granted in connection with the purchase of equipment or other assets) by the Company from another Person providing for payments to another Person in excess of \$25,000 per year or \$75,000 in the aggregate over the five-year period commencing on the date hereof;

(viii) any lease of Equipment or Real Property or license with respect to Intellectual Property (other than licenses granted in connection with the purchase of equipment or other assets) by the Company to another Person providing for payments to the Company in excess of \$20,000 per year or \$50,000 in the aggregate over the five-year period commencing on the date hereof;

(ix) any joint venture, partnership or similar agreement or contract;

(x) any agreement or contract under which the Company has loaned any money in excess of \$1,000,000 or issued or received any note, bond, indenture or other evidence of indebtedness in excess of \$1,000,000 or directly or indirectly guaranteed indebtedness, liabilities or obligations of others in an amount in excess of \$1,000,000;

(xi) any covenant not to compete or contract or agreement, understanding, arrangement or any restriction whatsoever limiting in any respect the ability of the Company to compete in any line of business or with any Person or in any area; and

(xii) any agreement or contract between the Company and any officer, director, stockholder or employee of the Business or any of their family members providing for payments in excess of \$5,000 (other than agreements covered in clause (iv) (or that would have been covered in clause (iv) but for the monetary limits thereunder) or agreements or contracts containing terms substantially similar to terms available to employees generally).

Material Contracts shall not include any and all (w) contracts, purchase orders, purchase commitments, leases and agreements entered into in the ordinary course of business and relating to the Company (other than those described in clauses (v), (vii), (viii) or (ix) above) that (A) are terminable at will without payment of premium or penalty by the Company or (B) are terminable on not more than 60 days' written notice without payment of premium or penalty and do not involve the obligation of the Company to make payments in excess of \$10,000 during the 60-day period commencing on the Closing; (x) contracts with respect to time sales (or other promotion or sponsorship sales) to advertisers or advertising agencies (including, without limitation, "trade" or "barter" agreements), sales agency or advertising representation contracts, and barter obligations or commitments to suppliers of programming; and (y) contracts with respect to the sale of production time and/or production services relating to advertising or with respect to other services.

Material Non-Agreed Divestiture has the meaning set forth in Section 5.3 hereof.

Net Financial Assets means the result of (i) the aggregate amount of current assets of the Business to be assigned to Purchaser under this Agreement, excluding for purposes of this calculation, the current portion of program rights, less (ii) the aggregate amount of current liabilities of the Business to be assumed by Purchaser under this Agreement, excluding for purposes of this calculation the current portion of program obligations, less (iii) the aggregate amount of the Company's liability for supplemental retirement and deferred compensation under the Employee Benefit Plans set forth in Section 9 of the Disclosure Schedule and for Continuation Coverage with respect to Corporate Office Employees, in each case to the extent not paid by the Company prior to the Closing and excluding the current portion of such liability, if any, to the extent such portion is included as a current liability in clause (ii), in each

case as of the relevant date of calculation and calculated (except as otherwise provided in Section 9 of the Disclosure Schedule) in conformity with GAAP and on a basis consistent with the basis used in preparing the Unaudited Financial Statements as of, and for the year ended, December 27, 1997 referred to in Section 3.5 hereof. Net Financial Assets expressly shall not include television program and film contract rights of the Business as either assets or liabilities; provided, however, that notwithstanding any prior practice or lack thereof relating thereto, the programming downpayments related to certain television programs made prior to the date hereof in advance of customary payment terms under television program rights contracts shall be expressly included in prepaid assets to the extent not amortized as of the relevant date of calculation as more fully described in the example set forth in Section 9 of the Disclosure Schedule. Without limiting the generality of the foregoing and subject to the immediately preceding sentence, for purposes of determining the amount of Net Financial Assets, all revenues and all expenses arising from the operation of any Station, including, without limitation, tower rental, business and license fees, utility charges, real and personal property taxes and assessments levied against the Assets, property and equipment rentals, applicable copyright or other fees, sales and service charges, Taxes (except for taxes arising from the transfer of the Assets under this Agreement and income taxes that constitute a Retained Liability under this Agreement), employee compensation, including wages, salaries, commissions, music license fees and similar prepaid and deferred items, shall be prorated as of the relevant date of calculation in accordance with GAAP.

Net Proceeds has the meaning set forth in Section 8.4 hereof.

New Pension Plan has the meaning set forth in Section 5.2 hereof.

Newco means Media Properties of Maine, LLC, a Delaware limited liability company, formed at the direction of the Company in connection with the sale of the Maine Media Business.

Notice of Claim has the meaning set forth in Section 8.5 hereof.

Permits has the meaning set forth in Section 3.11 hereof.

Permitted Exceptions means each of the following:

- (i) mortgages, security interests or other Encumbrances described in Section 4.10 of the Disclosure Schedule;
- (ii) liens for taxes, assessments and governmental charges or levies not yet due and payable or the validity of which is being contested in good faith by appropriate proceedings;

(iii) Encumbrances imposed by law, such as materialmen's, mechanics', carriers', workmen's and repairmen's liens and other similar liens, arising in the ordinary course of business;

(iv) pledges or deposits to secure obligations under workers' compensation laws or similar legislation or to secure public or statutory obligations;

(v) survey exceptions, rights of way, easements, reciprocal easement agreements and other Encumbrances on title to real property shown in the title insurance commitments April 28, 1998 (for the property referred to as parcels 2-A, 15-L, 17, 18, 19-A and 19-B in Section 1.1(d) of the Disclosure Schedule), April 24, 1998 (for the property referred to as parcel 29 in Section 1.1(d) of the Disclosure Schedule) and May 4, 1998 (for the property referred to as parcel 34-A in Section 1.1(d) of the Disclosure Schedule) or that do not, individually or in the aggregate, materially adversely affect the use of such property in the conduct of the Company's business as it is being conducted prior to the Closing;

(vi) zoning laws and other land use restrictions that do not in any material respect (a) detract from or impair the value or the use of the property subject thereto, or (b) impair the operation of the Company's business as it is being conducted prior to the Closing;

(vii) security interests in favor of suppliers of goods for which payment has not been made in the ordinary course of business consistent with past practice;

(viii) Encumbrances on the interests of the lessors of properties in which the Company holds a leasehold interest; and

(ix) any and all other Encumbrances that do not materially detract from or materially impair the value or the use of the property subject thereto for the purposes currently utilized in the Business.

Person means any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

Post-Closing Agreements means those covenants and agreements required by this Agreement to be performed after the Closing.

Prepaid Fiduciary Insurance Policy has the meaning set forth in Section 5.2 hereof.

Program Contracts has the meaning set forth in Section 1.1 hereof.

Proposed NFA Adjustment has the meaning set forth in Section 2.2 hereof.

Purchaser has the meaning specified in the introductory paragraph to this Agreement.

Purchaser Indemnified Parties has the meaning set forth in Section 8.1 hereof.

Purchaser Savings Plan has the meaning set forth in Section 5.2 hereof.

Real Property means all real property of every kind and description and related mineral rights owned by the Company and used in connection with the Business, together with all buildings and other structures, towers, antennae, facilities or improvements currently or hereafter located thereon, all fixtures, systems, equipment and items of personal property of the Company attached or appurtenant thereto and all easements, licenses, rights and appurtenances relating to the foregoing, including, without limitation, the owned property set forth in Section 1.1(c) of the Disclosure Schedule.

Regulations means the Treasury Regulations (including Temporary Regulations) promulgated by the United States Department of Treasury with respect to the Code or other federal tax statutes.

Reimbursements has the meaning set forth in Section 8.4 hereof.

Release means disposing, discharging, injecting, spilling, leaking, leaching, dumping, emitting, escaping, emptying, seeping, placing and the like into or upon any land or water or air or otherwise entering into the environment.

Representatives means Madeleine G. Corson and John H. Gannett, not individually, but solely in their capacity as the representatives of the stockholders of the Company with respect to certain provisions of this Agreement by virtue of being trustees of the Guy Gannett Trust and attorneys-in-fact for the other stockholders of the Company.

Resolution has the meaning set forth in Section 2.2 hereof.

Retained Liability has the meaning set forth in Section 1.3(b) hereof.

Section 414 Amount has the meaning set forth in Section 5.2 hereof.

Security Escrow has the meaning set forth in Section 2.3 hereof.

Security Escrow Agent has the meaning set forth in Section 2.3 hereof.

Security Escrow Agreement has the meaning set forth in Section 2.3 hereof.

Seller Pension Plan has the meaning set forth in Section 5.2 hereof.

Stations means the following television broadcasting station properties of the Company: WOKR-TV, Rochester, New York; WICS-TV, Springfield, Illinois; WICD-TV, Champaign, Illinois; WGGB-TV, Springfield, Massachusetts; WGME-TV, Portland, Maine; KGAN-TV, Cedar Rapids, Iowa; and WTWC-TV, Tallahassee, Florida.

Subsidiary of any Person means (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation is owned by such Person directly or indirectly, through Subsidiaries and (ii) any partnership, limited partnership, limited liability company, associates, joint venture or other entity in which such Person directly or indirectly through Subsidiaries has more than a 50% equity interest.

Tax or Taxes means any and all taxes, fees, withholdings, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any government or taxing authority, including, without limitation, taxes or other charges on or with respect to income, franchises, windfall or other profits, gross receipts, property, sales, use, capital stock, payroll, employment, social security, workers' compensation, unemployment compensation, or net worth, taxes or other charges in the nature of excise, withholding, *ad valorem*, stamp, transfer, value added or gains taxes, license, registration and documentation fees, and customs duties, tariffs and similar charges.

Tax Benefit has the meaning set forth in Section 8.4 hereof.

Tax Return means any report, return, document, declaration or other information or filing required to be supplied to any Tax authority or jurisdiction (foreign or domestic) with respect to Taxes, including, without limitation, information returns, any documents with respect to or accompanying payments of estimated Taxes, or with respect to or accompanying requests for the extension of time in which to file any such report, return, document, declaration or other information.

Termination Date has the meaning set forth in Section 10.1 hereof.

True-Up Amount has the meaning set forth in Section 5.2 hereof.

True-Up Date has the meaning set forth in Section 5.2 hereof.

Trust has the meaning set forth in Section 5.2 hereof.

Unaudited Financial Statements has the meaning set forth in Section 3.5 hereof.

Article 10. Miscellaneous Provisions.

10.1 Termination Rights. (a) Grounds for Termination. This Agreement may be terminated:

- (i) by mutual consent of the parties;
- (ii) by either the Company or Purchaser, provided such party is not then in material default hereunder, upon written notice to the other party, if the Closing hereunder has not occurred on or before September 4, 1999 (the "Termination Date"), provided that if the FCC Consent is obtained during the 15 days prior to September 4, 1999, the Termination Date will not occur until the 15th day after receipt of the FCC Consent, provided further that if either or both of the Company and Purchaser shall have postponed the Closing Date pursuant to Section 6.11 hereof, the Termination Date will occur no earlier than the end of the period of such postponement, and provided further that if the Closing hereunder has not occurred on or before September 4, 1999 due to a publicly announced federal governmental shutdown affecting, or any other publicly announced freeze on the processing of applications to transfer station licenses by, the FCC (collectively, a "FCC Shutdown"), the Termination Date will be extended by a period of time equal to the duration of the FCC Shutdown, but in no event shall the Termination Date be extended to a date any later than the earlier of (x) 60 days after the end of the FCC Shutdown or (y) December 4, 1999.
- (iii) by either the Company or Purchaser, upon written notice to the other party, if any Governmental Authority shall have issued a statute, rule, regulation, order, decree or injunction or taken any other action permanently restraining, enjoining or otherwise prohibiting the Closing and such statute, rule, regulation, order, decree or injunction or other action shall have become final and nonappealable, provided that this clause (iii) will not be applicable to actions of the FCC subject to clause (iv) below;
- (iv) by either the Company or Purchaser, upon written notice to the other party, if (i) the FCC, or the Chief, Mass Media Bureau of the FCC, acting under delegated authority, shall have denied the application for assignment of the FCC Licenses to Purchaser, (ii) the parties' request for administrative or judicial review, or the FCC's administrative review *sua sponte*, shall not have been disposed of favorably to the parties and (iii) the parties have no further relief available to them;
- (v) by Purchaser, by written notice to the Company, if there has been a material breach by the Company of any representation, warranty, covenant or agreement set forth in this Agreement such that the condition precedent set forth in Section 6.1 or 6.2 hereof would not be satisfied, which breach has not been cured within 20 Business Days following receipt by the breaching party of written notice of such breach; or

(vi) by the Company by written notice to Purchaser if there has been a material breach by Purchaser of any representation, warranty, covenant or agreement set forth in this Agreement such that the condition precedent set forth in Section 7.1 or 7.2 hereof would not be satisfied, which breach has not been cured within 20 Business Days following receipt by the breaching party of written notice of such breach; or

(vii) by Purchaser by written notice to the Company, if the FCC has revoked the Company's FCC License for any Station.

(b) Post-Termination Liability. If this Agreement is terminated pursuant to Subsection 10.1(a) hereof, this Agreement shall thereupon become void and of no further effect whatsoever, and the parties shall be released and discharged of all obligations under this Agreement, except (i) to the extent of a party's liability for willful material breaches of this Agreement prior to the time of such termination, (ii) as set forth in Section 5.4 hereof and (iii) the obligations of each party for its own expenses incurred in connection with the transactions contemplated by this Agreement as provided herein.

10.2 Litigation Costs. If any litigation with respect to the obligations of the parties under this Agreement results in a final nonappealable order of a court of competent jurisdiction that results in a final disposition of such litigation, the prevailing party, as determined by the court ordering such disposition, shall be entitled to reasonable attorneys' fees as shall be determined by such court. Contingent or other percentage compensation arrangements shall not be considered reasonable attorneys' fees.

10.3 Expenses. Except as otherwise specifically provided in this Agreement, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred, provided that the Company and Purchaser shall each be responsible and pay 50% of the HSR Act filing fee and the filing fees payable to the FCC in connection with the filing of the application for assignment of the FCC Licenses. It is understood and agreed that all costs and expenses incurred in connection herewith and the transactions contemplated hereby by or on behalf of the Company, its existing stockholders and the Representatives, including, without limitation, the fees and disbursements of Lazard Frères & Co. LLC; Preti, Flaherty, Beliveau & Pachios, LLC; Simpson Thacher & Bartlett; Seyfarth, Shaw, Fairweather & Geraldson; Wakelin, Hallock & O'Donovan; Dow, Lohnes & Albertson, PLLC; PriceWaterhouseCoopers L.L.P.; and Watson Wyatt & Company, shall be paid by the Company.

10.4 Notices. Any notice, demand, claim, notice of claim, request or communication required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed to have been duly given (i) upon delivery if delivered in person, (ii) on the next Business Day after the date of mailing if mailed by registered or certified mail, postage prepaid and return receipt requested, (iii) on the next Business Day after the date of delivery to a national overnight courier service, or (iv) upon transmission by facsimile (if such transmission is confirmed by the addressee) if delivered through such

services to the following addresses, or to such other address as any party may request by notifying in writing all of the other parties to this Agreement in accordance with this Section 10.4.

If to the Company:

Guy Gannett Communications
One City Center
P.O. Box 15277
Portland, Maine 04112-5277
Attention: James E. Baker
Chief Financial Officer
Facsimile No.: (207) 828-8160

with a copy to:

Eric P. Stauffer, Esq.
Preti, Flaherty, Beliveau & Pachios, LLC
P.O. Box 9546
One City Center
Portland, Maine 04112-9546
Facsimile No.: (207) 791-3111

and

Robert E. Spatt, Esq.
Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017-3954
Facsimile No.: (212) 455-2502

If to Purchaser:

Sinclair Communications, Inc.
2000 West 41st Street
Baltimore, Maryland 21211-1420
Attention: President
Facsimile No.: (410)

with copy to:

Sinclair Communications, Inc.
2000 West 41st Street
Baltimore, Maryland 21211-1420
Attention: General Counsel
Facsimile No.: (410) 662-4767

and

Steven A. Thomas, Esq.
Thomas & Libowitz, P.A.
100 Light Street
Suite 1100
Baltimore, Maryland 21202-1053
Facsimile No.: (410) 752-2046

Any such notice shall be deemed to have been received on the date of personal delivery, the date set forth on the Postal Service return receipt, or the date of delivery shown on the records of the overnight courier, as applicable.

10.5 Benefit and Assignment. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Except as provided in Section 8.7, there shall be no assignment of any interest under this Agreement by any party except that Purchaser may assign its rights hereunder to any wholly owned subsidiary of Purchaser and except that after the Closing the Company may assign its rights hereunder to the Fund Holder; provided, however, that no such assignment shall relieve the assignor of its obligations under this Agreement. Except as expressly otherwise provided in Article 8 hereof, nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

10.6 Waiver. Any party to this Agreement may (a) extend the time for the performance of any of the obligations or other acts of any other party, (b) waive any inaccuracies in the representations and warranties of any other party contained herein or in any document delivered by any other party pursuant hereto or (c) waive compliance with any of the agreements or conditions of any other party contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition, of this Agreement. The failure of any party to assert any of its rights hereunder shall not constitute a waiver of any such rights.

10.7 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the

economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

10.8 Amendment. This Agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, the Company and Purchaser or (b) by a waiver in accordance with Section 10.6 hereof.

10.9 Effect and Construction of this Agreement. This Agreement embodies the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior agreements, arrangements and understandings, whether written or oral, relating to matters provided for herein; provided, however, that the Confidentiality Agreement shall remain in effect until the Closing. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual agreement, and this Agreement shall not be deemed to have been prepared by any single party hereto. Disclosure of any fact or item in the Disclosure Schedule referenced by a particular paragraph or section in this Agreement shall, should the existence of the fact or item or its contents be relevant to any other paragraph or section, be deemed to be disclosed with respect to that other paragraph or section whether or not a specific cross reference appears, if the disclosure in respect of the one paragraph or section is reasonably sufficient to inform the reader of the information required to be disclosed in respect such other paragraph or section. Disclosure of any fact or item in the Disclosure Schedule shall not necessarily mean that such item or fact, individually or in the aggregate, is material to the business, results of operations or financial condition of the Company. Time shall be of the essence in enforcing and applying the covenants and conditions set forth in this Agreement. The headings of the sections and subsections of this Agreement are inserted as a matter of convenience and for reference purposes only and in no respect define, limit or describe the scope of this Agreement or the intent of any section or subsection. This Agreement may be executed in one or more counterparts and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. This Agreement and the rights and duties of the parties hereunder shall be governed by, and construed in accordance with, the laws of the State of New York.

10.10 Transfer and Conveyance Taxes. Purchaser and the Company shall each be liable for and shall pay one-half of all applicable sales, transfer, recording, deed, stamp and other similar non-income taxes, imposed in connection with transfers and conveyances of the Assets, including, without limitation, any real property transfer or gains taxes (if any), resulting from the consummation of the transactions contemplated by this Agreement.

10.11 Specific Performance. Each of the parties hereto acknowledges and agrees that in the event of any breach of this Agreement, each non-breaching party would be irreparably and immediately harmed and could not be made whole by monetary damages. It

is accordingly agreed that the parties hereto (i) waive, in any action for specific performance, the defense of adequacy of a remedy at law and (ii) shall be entitled, in addition to any other remedy to which they may be entitled at law or in equity, to compel specific performance of this Agreement in any action instituted in any state or federal court having jurisdiction thereover.

10.12 Survival of Representations, Warranties and Covenants. The respective representations and warranties of the Company and Purchaser contained herein or in any certificate or special warranty deed delivered pursuant hereto and any and all covenants and agreements herein or therein (other than those covenants and agreements required by this Agreement to be performed after the Closing) shall expire with, and be terminated and extinguished upon, the one year anniversary of the Closing Date.

Article 11. No Personal Liability for Representatives, Stockholders, Directors or Officers. Purchaser understands, acknowledges and agrees that the directors and officers and consultants of the Company, the trustees under the Employee Benefit Plans and the Representatives have performed, or may perform, certain acts required or permitted under this Agreement on behalf of the Company to facilitate the transactions among the parties to this Agreement contemplated herein. Notwithstanding anything to the contrary contained herein, no stockholder, director or officer of the Company, any such consultant, any such trustee or any Representative (nor any Affiliate of the foregoing) shall, under any circumstances, have, and the Purchaser hereby absolves all such Persons from, any personal liability to the Purchaser (and each of their its Affiliates) for such acts to the extent deemed to be actions by or on behalf of the Company.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

GUY GANNETT COMMUNICATIONS

By: 

Name: James Baker

Title: CFO

SINCLAIR COMMUNICATIONS, INC.

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

GUY GANNETT COMMUNICATIONS

By: _____
Name:
Title:

SINCLAIR COMMUNICATIONS, INC.

By: David B. Amy
Name: David B. Amy
Title: Secretary

OWNERSHIP STRUCTURE

Sinclair Broadcast Group, Inc. wholly owns Sinclair Communications, Inc., the proposed Assignee herein.

The principals of these entities, as the ownership of these entities will exist subsequent to the assignment of license proposed herein, are listed on the attached pages.

With respect to the attached pages concerning Sinclair Broadcast Group, Inc., it should be noted that, other than the shareholders of Sinclair Broadcast Group, Inc. listed on those pages, no individual or entity holds stock representing 5% or more of the voting power of Sinclair.

The numbered items below refer to line numbers in the following table:

- a. Name and Residence
- b. Citizenship
- c. Office or Directorship Held
- d. Number of Shares
- e. Number of Votes
- f. Percentage of Votes
- g. Other existing attributable interests in broadcast stations.
- h. All other ownership interests of 5% or more (whether or not attributable), as well as any corporate officership or directorship, in broadcast, cable, or newspaper entities in the same market or with overlapping signals in the same broadcast service.

SINCLAIR COMMUNICATIONS, INC. (POST-CLOSING)

a.	Barry Baker* 28 Merry Hill Court Baltimore, MD 21208	David D. Smith 802 Hillstead Drive Lutherville, MD 21093	David B. Amy 3921 Klausmier Road Baltimore, MD 21236
b.	U.S.	U.S.	U.S.
c.	President, Chief Executive Officer, Director*	Executive Vice President, Director	Secretary
d.	0	0	0
e.	0	0	0
f.	0%	0%	0%
g.	See Exhibit B	See Exhibit B	See Exhibit B
h.	See Exhibit B	See Exhibit B	See Exhibit B

- * Barry Baker will not be appointed an officer or elected as a director of Sinclair Broadcast Group, Inc. or any of its subsidiaries until after the consummation of: (i) the assignment of license of television station WTTE(TV), Columbus, Ohio, from WTTE, Channel 28 Licensee, Inc. to Columbus (WTTE-TV) Licensee, Inc.; and (ii) the divestiture of the attributable interests of David D. Smith, Frederick G. Smith, J. Duncan Smith, and Robert E. Smith in Channel 63, Inc., the licensee of television station WIPX(TV) (formerly WIIB), Bloomington, Indiana. Consummation of the assignment of license of WTTE(TV) to Columbus (WTTE-TV) Licensee, Inc. occurred on August 21, 1998. An application for consent to the assignment of license of WIPX(TV) from Channel 63, Inc. to RDP Communications License of Indianapolis, Inc. was filed on August 27, 1998. See FCC File No. BALCT-980827IB.

The numbered items below refer to line numbers in the following table:

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SINCLAIR COMMUNICATIONS, INC. (POST-CLOSING), Continued

a.	Frederick G. Smith 7 Timberpark Court Lutherville, MD 21093	J. Duncan Smith 1345 Ivy Hill Road Cockeysville, MD 21030	Robert E. Smith 3600 Butler Road Glyndon, MD 21071
b.	U.S.	U.S.	U.S.
c.	Director	Director	Director
d.	0	0	0
e.	0	0	0
f.	0%	0%	0%
g.	See Exhibit B	See Exhibit B	See Exhibit B
h.	See Exhibit B	See Exhibit B	See Exhibit B

The numbered items below refer to line numbers in the following table:

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- b. Citizenship
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SINCLAIR COMMUNICATIONS, INC. (POST-CLOSING), Continued

a.	Basil A. Thomas 2 Southerly Court, Unit 30 Towson, MD 21286	Lawrence E. McCanna c/o Gross, Mendelsohn & Weiler 36 South Charles St., 18th Flr. Baltimore, MD 21201	Roy F. Coppedge* c/o Boston Ventures Limited Partnership IV 21 Custom House Street Boston, MA 02110
b.	U.S.	U.S.	U.S.
c.	Director	Director	Director*
d.	0	0	0
e.	0	0	0
f.	0%	0%	0%
g.	See Exhibit B	See Exhibit B	See Exhibit B
h.	See Exhibit B	See Exhibit B	See Exhibit B

- * Roy F. Coppedge will not be elected as a director of Sinclair Broadcast Group, Inc. or any of its subsidiaries until after the consummation of: (i) the assignment of license of television station WTTE(TV), Columbus, Ohio, from WTTE, Channel 28 Licensee, Inc. to Columbus (WTTE-TV) Licensee, Inc.; and (ii) the divestiture of the attributable interests of David D. Smith, Frederick G. Smith, J. Duncan Smith, and Robert E. Smith in Channel 63, Inc., the licensee of television station WIPX(TV) (formerly WIIB), Bloomington, Indiana. Consummation of the assignment of license of WTTE(TV) to Columbus (WTTE-TV) Licensee, Inc. occurred on August 21, 1998. An application for consent to the assignment of license of WIPX(TV) from Channel 63, Inc. to RDP Communications License of Indianapolis, Inc. was filed on August 27, 1998. See FCC File No. BALCT-980827IB.

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SINCLAIR COMMUNICATIONS, INC. (POST-CLOSING), Continued

a.	Lynn A. Deppen 2000 West 41st Street Baltimore, MD 21211	Jeffrey W. Sleete 2000 West 41st Street Baltimore, MD 21211	Michael Draman 2000 West 41st Street Baltimore, MD 21211
b.	U.S.	U.S.	U.S.
c.	Vice President	Vice President	Vice President
d.	0	0	0
e.	0	0	0
f.	0%	0%	0%
g.	See Exhibit B	See Exhibit B	See Exhibit B
h.	See Exhibit B	See Exhibit B	See Exhibit B

The numbered items below refer to line numbers in the following table:

- a. Name and Residence
- b. Citizenship
- c. Office or Directorship Held
- d. Number of Shares
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- g. Other existing attributable interests in broadcast stations.
- h. All other ownership interests of 5% or more (whether or not attributable), as well as any corporate officership or directorship, in broadcast, cable, or newspaper entities in the same market or with overlapping signals in the same broadcast service.

SINCLAIR COMMUNICATIONS, INC. (POST-CLOSING), Continued

a.	Michael E. Sileck 2000 West 41st Street Baltimore, MD 21211	Robert E. Quicksilver 2000 West 41st Street Baltimore, MD 21211	Stephen A. Eisenberg 2000 West 41st Street Baltimore, MD 21211
b.	U.S.	U.S.	U.S.
c.	Vice President	Vice President	Vice President
d.	0	0	0
e.	0	0	0
f.	0%	0%	0%
g.	See Exhibit B	See Exhibit B	See Exhibit B
h.	See Exhibit B	See Exhibit B	See Exhibit B

The numbered items below refer to line numbers in the following table:

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SINCLAIR COMMUNICATIONS, INC. (POST-CLOSING), Continued

a.	M. William Butler 2000 West 41st Street Baltimore, MD 21211	Frank W. Bell 2000 West 41st Street Baltimore, MD 21211	Delbert R. Parks, III 2000 West 41st Street Baltimore, MD 21211
b.	U.S.	U.S.	U.S.
c.	Vice President	Vice President	Vice President
d.	0	0	0
e.	0	0	0
f.	0%	0%	0%
g.	See Exhibit B	See Exhibit B	See Exhibit B
h.	See Exhibit B	See Exhibit B	See Exhibit B

The numbered items below refer to line numbers in the following table:

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SINCLAIR COMMUNICATIONS, INC. (POST-CLOSING), Continued

a.	Barry Drake 2000 West 41st Street Baltimore, MD 21211	Robin Smith 2000 West 41st Street Baltimore, MD 21211	Pat Talamantes 2000 West 41st Street Baltimore, MD 21211	Sinclair Broadcast Group, Inc. 2000 West 41st Street Baltimore, MD 21211
b.	U.S.	U.S.	U.S.	U.S.
c.	COO-Radio Division	CFO-Radio Division	Treasurer	-
d.	0	0	0	100
e.	0	0	0	100
f.	0%	0%	0%	100%
g.	See Exhibit B	See Exhibit B	See Exhibit B	See Exhibit B
h.	See Exhibit B	See Exhibit B	See Exhibit B	See Exhibit B

The numbered items below refer to line numbers in the following table:

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SINCLAIR BROADCAST GROUP, INC. (POST-CLOSING)

a.	David D. Smith 802 Hillstead Drive Lutherville, MD 21093	Barry Baker* 28 Merry Hill Court Baltimore, MD 21208	Frederick G. Smith 7 Timberpark Court Lutherville, MD 21093
b.	U.S.	U.S.	U.S.
c.	President, CEO Director	Executive Vice President, Director*	Vice President, Director
d.	10,058 Class A Common 6,316,541 Class B Common	654,843 Class A Common	4,058 Class A Common 5,432,650 Class B Common**
e.	63,175,468	654,843	54,330,558**
f.	23.19%	less than 1%	19.94%**
g.	See Exhibit B	See Exhibit B	See Exhibit B
h.	See Exhibit B	See Exhibit B	See Exhibit B

* Barry Baker will not be appointed an officer or elected as a director of Sinclair Broadcast Group, Inc. or any of its subsidiaries until after the consummation of: (i) the assignment of license of television station WTTE(TV), Columbus, Ohio, from WTTE, Channel 28 Licensee, Inc. to Columbus (WTTE-TV) Licensee, Inc.; and (ii) the divestiture of the attributable interests of David D. Smith, Frederick G. Smith, J. Duncan Smith, and Robert E. Smith in Channel 63, Inc., the licensee of television station WIPX(TV) (formerly WIIB), Bloomington, Indiana. Consummation of the assignment of license of WTTE(TV) to Columbus (WTTE-TV) Licensee, Inc. occurred on August 21, 1998. An application for consent to the assignment of license of WIPX(TV) from Channel 63, Inc. to RDP Communications License of Indianapolis, Inc. was filed on August 27, 1998. See FCC File No. BALCT-980827IB.

** Includes Class B Common Stock representing approximately .10% of the voting power of Sinclair Broadcast Group, Inc. which is held by Frederick G. Smith as trustee of the Fred & Vanessa Smith Charitable Remainder Unitrust No. III.

The numbered items below refer to line numbers in the following table:

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- d. Number of Shares
- e. Number of Votes
- f. Percentage of Votes
- g. Other existing attributable interests in broadcast stations.
- h. All other ownership interests of 5% or more (whether or not attributable), as well as any corporate officership or directorship, in broadcast, cable, or newspaper entities in the same market or with overlapping signals in the same broadcast service.

SINCLAIR BROADCAST GROUP, INC. (POST-CLOSING), Continued

a.	J. Duncan Smith 1345 Ivy Hill Road Cockeysville, MD 21030	Robert E. Smith 3600 Butler Road Glyndon, MD 21071	David B. Amy 3921 Klausmier Road Baltimore, MD 21236
b.	U.S.	U.S.	U.S.
c.	Secretary, Director	Director	Chief Financial Officer, Treasurer
d.	26 Class A Common 6,079,299 Class B Common	58 Class A Common 5,276,899 Class B Common*	2,258 Class A Common
e.	60,793,016	52,769,048*	2,258
f.	22.32%	19.37%*	less than 1%
g.	See Exhibit B	See Exhibit B	See Exhibit B
h.	See Exhibit B	See Exhibit B	See Exhibit B

- * Includes Class B Common Stock representing approximately 1.14% of the voting power of Sinclair Broadcast Group, Inc. which is held by Robert E. Smith as the trustee of the Robert & Melissa Smith Charitable Remainder Unitrust No. 2.

The numbered items below refer to line numbers in the following table:

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- c. Office or Directorship Held
- d. Number of Shares
- e. Number of Votes
- f. Percentage of Votes
- g. Other existing attributable interests in broadcast stations.
- h. All other ownership interests of 5% or more (whether or not attributable), as well as any corporate officership or directorship, in broadcast, cable, or newspaper entities in the same market or with overlapping signals in the same broadcast service.

SINCLAIR BROADCAST GROUP, INC. (POST-CLOSING), Continued

a.	Basil A. Thomas 2 Southerly Court, Unit 306 Towson, MD 21286	Lawrence E. McCanna c/o Gross, Mendelsohn, & Weiler 36 South Charles Street, 18th Floor Baltimore, MD 21201	Roy F. Coppedge* c/o Boston Ventures Limited Partnership IV 21 Custom House Street Boston, MA 02110
b.	U.S.	U.S.	U.S.
c.	Director	Director	Director*
d.	2,000 Class A Common (held jointly with his wife)	300 Class A Common	0
e.	2,000	300	0
f.	Less than 1%	Less than 1%	0%
g.	See Exhibit B	See Exhibit B	See Exhibit B
h.	See Exhibit B	See Exhibit B	See Exhibit B

- * Roy F. Coppedge will not be elected as a director of Sinclair Broadcast Group, Inc. or any of its subsidiaries until after the consummation of: (i) the assignment of license of television station WTTE(TV), Columbus, Ohio, from WTTE, Channel 28 Licensee, Inc. to Columbus (WTTE-TV) Licensee, Inc.; and (ii) the divestiture of the attributable interests of David D. Smith, Frederick G. Smith, J. Duncan Smith, and Robert E. Smith in Channel 63, Inc., the licensee of television station WIPX(TV) (formerly WIIB), Bloomington, Indiana. Consummation of the assignment of license of WTTE(TV) to Columbus (WTTE-TV) Licensee, Inc. occurred on August 21, 1998. An application for consent to the assignment of license of WIPX(TV) from Channel 63, Inc. to RDP Communications License of Indianapolis, Inc. was filed on August 27, 1998. See FCC File No. BALCT-980827IB.

**OTHER BROADCAST INTERESTS
AND PENDING APPLICATIONS**

Sinclair Broadcast Group, Inc. ("SBG") wholly owns Sinclair Communications, Inc. ("SCI"), the proposed Assignee herein. SCI wholly owns KLGT, Inc., Sinclair Media I, Inc.; Sinclair Media II, Inc.; Chesapeake Television, Inc.; WTTT, Inc.; WCGV, Inc.; WLFL, Inc.; WTVZ, Inc.; WSMH, Inc.; KOCB, Inc.; WDKY, Inc.; KSMO, Inc.; WYZZ, Inc.; Sinclair Media III, Inc.; KDSM, Inc.; Tuscaloosa Broadcasting, Inc.; Sinclair Radio of New Orleans, Inc.; Sinclair Radio of Buffalo, Inc.; Sinclair Radio of Wilkes-Barre, Inc.; Sinclair Radio of Memphis, Inc.; and Sinclair Radio of St. Louis, Inc.

SCI is a member of Sinclair Properties LLC, the 98% general partner of the following entities:

- (i) Sinclair Radio of Norfolk/Greensboro Licensee L.P., the license of WFOG-FM, Suffolk, Virginia; WPTE(FM), Virginia Beach, Virginia; WNVZ(FM), Norfolk, Virginia; WWDE-FM, Hampton, Virginia; WMQX-FM, Winston-Salem, North Carolina; WJMH(FM), Reidsville, North Carolina; WEAL(AM) (formerly WQMG), Greensboro, North Carolina; and WQMG-FM, Greensboro, North Carolina;
- (ii) WMMP Licensee L.P., the licensee of WMMP(TV), Charleston, South Carolina;
- (iii) KBSI Licensee L.P., the licensee of KBSI(TV), Cape Girardeau, Missouri;
- (iv) WSYT Licensee L.P., the licensee of WSYT(TV), Syracuse, New York;
- (v) KETK Licensee L.P., the licensee of KETK-TV, Jacksonville, Texas.

KLGT, Inc. wholly owns KLGT Licensee, Inc., the licensee of KLGT-TV, Minneapolis, Minnesota.

Sinclair Media I, Inc. wholly owns: (i) WPGH Licensee, Inc., the licensee of WPGH-TV, Pittsburgh, Pennsylvania; and (ii) KDNL Licensee, Inc., the licensee of KDNL-TV, St. Louis, Missouri.

Sinclair Media II, Inc. wholly owns: (i) KUPN Licensee, Inc., the licensee of KVWB(TV) (formerly KUPN), Las Vegas, Nevada; (ii) WEAR Licensee, Inc., the licensee of WEAR-TV, Pensacola, Florida; and (iii) WSYX Licensee, Inc., the licensee of WSYX(TV), Columbus, Ohio.

Chesapeake Television, Inc. wholly owns: (i) Chesapeake Television Licensee, Inc., the licensee of WBFF(TV), Baltimore, Maryland; (ii) SCI - Sacramento Licensee, Inc., the licensee of KOVR(TV), Stockton, California; (iii) KABB Licensee, Inc., the licensee of KABB(TV), San Antonio, Texas; and (iv) WLOS Licensee, Inc., the licensee of WLOS(TV), Asheville, North Carolina.

WTTO, Inc. wholly owns WTTO Licensee, Inc., the licensee of WTTO(TV), Birmingham, Alabama.

WCGV, Inc. wholly owns WCGV Licensee, Inc., the licensee of WCGV-TV, Milwaukee, Wisconsin.

WLFL, Inc. wholly owns (i) WLFL Licensee, Inc., the licensee of WLFL(TV), Raleigh, North Carolina; and (ii) Sinclair Radio of Greenville Licensee, Inc., the licensee of WYRD(AM), Greenville, South Carolina; WFBC-FM, Greenville, South Carolina; WORD(AM), Spartanburg, South Carolina; WSPA-FM, Spartanburg, South Carolina and WSPA(AM), Spartanburg, South Carolina.

WTVZ, Inc. wholly owns WTVZ Licensee, Inc., the licensee of WTVZ-TV, Norfolk, Virginia.

WSMH, Inc. wholly owns WSMH Licensee, Inc., the licensee of WSMH(TV), Flint, Michigan.

KOCB, Inc. wholly owns KOCB Licensee, Inc., the licensee of KOCB(TV), Oklahoma City, Oklahoma.

WDKY, Inc., wholly owns WDKY Licensee, Inc., the licensee of WDKY-TV, Danville, Kentucky.

KSMO, Inc. wholly owns KSMO Licensee, Inc., the licensee of KSMO-TV, Kansas City, Missouri.

WYZZ, Inc. wholly owns WYZZ Licensee, Inc., the licensee of WYZZ(TV), Bloomington, Illinois.

Sinclair Media III, Inc. wholly owns (i) WSTR Licensee, Inc., the licensee of WSTR-TV, Cincinnati, Ohio; (ii) WCHS Licensee, Inc., the licensee of WCHS-TV, Charleston, West Virginia; and (iii) Sinclair Radio of Kansas City Licensee, Inc., the licensee of radio stations KUPN(AM) (formerly KCAZ), Mission, Kansas; KXTR(FM), Kansas City, Missouri; KCFX(FM), Harrisonville, Missouri; KCIY(FM), Liberty, Missouri; and KQRC-FM, Leavenworth, Kansas.

KDSM, Inc. wholly owns KDSM Licensee, Inc., the licensee of KDSM-TV, Des Moines, Iowa.

Tuscaloosa Broadcasting, Inc. wholly owns Sinclair Radio of Milwaukee Licensee, Inc., the licensee of radio stations WEMP(AM), Milwaukee, Wisconsin; WMYX(FM), Milwaukee, Wisconsin; and WXSS(FM) (formerly WAMG(FM)), Wauwatosa, Wisconsin.

Sinclair Radio of New Orleans, Inc. wholly owns Sinclair Radio of New Orleans Licensee, Inc., the licensee of radio stations WEZB(FM), New Orleans, Louisiana; WSMB(AM), New Orleans, Louisiana; WWL(AM), New Orleans, Louisiana; and WLMG(FM), New Orleans, Louisiana. Sinclair Radio of New Orleans, Inc. also provides programming to radio stations WLTS-FM, Slidell, Louisiana, and WTKL(FM), New Orleans, Louisiana, pursuant to a Time Brokerage Agreement.

Sinclair Radio of Buffalo, Inc. wholly owns Sinclair Radio of Buffalo Licensee, Inc., the licensee of radio stations WBEN(AM), Buffalo, New York; WMJQ(FM), Buffalo, New York; WWKB(AM), Buffalo, New York; WKSE(FM), Niagara Falls, New York; WGR(AM), Buffalo, New York; and WWWS(AM), Buffalo, New York.

Sinclair Radio of Wilkes-Barre, Inc. wholly owns Sinclair Radio of Wilkes-Barre Licensee, Inc., the licensee of radio stations WGBI(AM), Scranton, Pennsylvania; WGGY(FM), Scranton, Pennsylvania; WILK(AM), Wilkes-Barre, Pennsylvania; WKRZ(FM), Wilkes-Barre, Pennsylvania; WILP(AM), West Hazleton, Pennsylvania; WILP-FM, Freeland, Pennsylvania; WKRF(FM), Tobyhanna, Pennsylvania; WILK-FM, Pittston, Pennsylvania; and WGGI(FM), Benton, Pennsylvania. Sinclair Radio of Wilkes-Barre, Inc. also provides programming to radio station WILT(AM), Mount Pocono, Pennsylvania, pursuant to a Time Brokerage Agreement.

Sinclair Radio of Memphis, Inc. wholly owns Sinclair Radio of Memphis Licensee, Inc., the licensee of radio stations WJCE(AM), Memphis, Tennessee; WOGY-FM, Germantown, Tennessee; and WRVR-FM, Memphis, Tennessee.

Sinclair Radio of St. Louis, Inc. wholly owns Sinclair Radio of St. Louis Licensee, Inc., the licensee of radio stations WVRV(FM), East St. Louis, Illinois; KPNT(FM), Ste. Genevieve, Missouri; WRTH(AM), St. Louis, Missouri; WIL-FM, St. Louis, Missouri; and KIHT(FM), St. Louis, Missouri.

Also, principals of SBG presently have attributable interests in Channel 63, Inc., the licensee of television station WIPX(TV) (formerly WIIB), Bloomington, Indiana; and Bay Television, Inc., the licensee of television station WTTA(TV), St. Petersburg, Florida. As noted below, an application is pending for consent to the assignment of WIPX(TV) from Channel 63, Inc. to RDP Communications License of Indianapolis, Inc. See FCC File No. BALCT-980827IB.

The following individuals and entities have the following interests in the entities specified below:

<u>Entity or Individual</u>	<u>Position</u>	<u>% of Votes</u>
<u>SINCLAIR BROADCAST GROUP, INC.:</u>		
David D. Smith	President, CEO, Director	23.19%
Frederick G. Smith	Vice President, Director	19.94% ¹
J. Duncan Smith	Secretary, Director	22.32%
Robert E. Smith	Director	19.37% ²
David B. Amy	Chief Financial Officer, Treasurer	Less than 1%
Basil A. Thomas	Director	Less than 1%
Lawrence E. McCanna	Director	Less than 1%

^{1/} Includes Class B Common Stock representing approximately .10% of the voting power of Sinclair Broadcast Group, Inc., which is held by Frederick G. Smith as trustee of the Fred & Vanessa Smith Charitable Remainder Unitrust No. III.

^{2/} Includes Class B Common Stock representing approximately 1.14% of the voting power of Sinclair Broadcast Group, Inc., which is held by Robert E. Smith as the trustee of the Robert & Melissa Smith Charitable Remainder Unitrust No. 2.

<u>Entity or Individual</u>	<u>Position</u>	<u>% of Votes</u>
-----------------------------	-----------------	-------------------

SINCLAIR COMMUNICATIONS, INC.:

David D. Smith	President, Director	0%
Lynn A. Deppen	Vice President	0%
Jeffrey W. Sleete	Vice President	0%
Delbert R. Parks, III	Vice President	0%
Michael Draman	Vice President	0%
Michael E. Sileck	Vice President	0%
Robert E. Quicksilver	Vice President	0%
Stephen A. Eisenberg	Vice President	0%
M. William Butler	Vice President	0%
Frank W. Bell	Vice President	0%
David B. Amy	Secretary	0%
Pat Talamantes	Treasurer	0%
Barry Drake	COO - Radio Division	0%
Robin Smith	CFO - Radio Division	0%
Frederick G. Smith	Director	0%
J. Duncan Smith	Director	0%
Robert E. Smith	Director	0%
Basil A. Thomas	Director	0%
Lawrence E. McCanna	Director	0%
SBG	--	100%

SINCLAIR PROPERTIES LLC:

SCI	Member	45.81%
Sinclair Holdings I, Inc.	Member	26.39%
Sinclair Holdings II, Inc.	Member	.86%
Sinclair Holdings III, Inc.	Member	26.94%
David D. Smith	Manager	0%
David B. Amy	Manager	0%

<u>Entity or Individual</u>	<u>Position</u>	<u>% of Votes</u>
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SINCLAIR HOLDINGS I, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

SINCLAIR HOLDINGS II, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

SINCLAIR HOLDINGS III, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

SINCLAIR RADIO OF NORFOLK/GREENSBORO LICENSEE, L.P.:

Sinclair Properties LLC	98% general partnership interest	--
SCI	2% limited partnership interest	--

WMMP LICENSEE L.P.:

Sinclair Properties LLC	98% general partnership interest	--
SCI	2% limited partnership interest	--

KBSI LICENSEE L.P.:

Sinclair Properties LLC	98% general partnership interest	--
SCI	2% limited partnership interest	--

<u>Entity or Individual</u>	<u>Position</u>	<u>% of Votes</u>
-----------------------------	-----------------	-------------------

WSYT LICENSEE L.P.:

Sinclair Properties LLC	98% general partnership interest	--
SCI	2% limited partnership interest	--

KETK LICENSEE L.P.:

Sinclair Properties LLC	98% general partnership interest	--
SCI	2% limited partnership interest	--

KLGT, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

KLGT LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
KLGT, Inc.	--	100%

SINCLAIR MEDIA I, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

WPGH LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Sinclair Media I, Inc.	--	100%

<u>Entity or Individual</u>	<u>Position</u>	<u>% of Votes</u>
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KDNL LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Sinclair Media I, Inc.	--	100%

SINCLAIR MEDIA II, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

KUPN LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Sinclair Media II, Inc.	--	100%

WEAR LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Sinclair Media II, Inc.	--	100%

WSYX LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Sinclair Media II, Inc.	--	100%

CHESAPEAKE TELEVISION, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

<u>Entity or Individual</u>	<u>Position</u>	<u>% of Votes</u>
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CHESAPEAKE TELEVISION LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Chesapeake Television, Inc.	--	100%

SCI - SACRAMENTO LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Chesapeake Television, Inc.	--	100%

KABB LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Chesapeake Television, Inc.	--	100%

WLOS LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Chesapeake Television, Inc.	--	100%

WTTO, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

WTTO LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
WTTO, Inc.	--	100%

<u>Entity or Individual</u>	<u>Position</u>	<u>% of Votes</u>
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WCGV, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

WCGV LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
WCGV, Inc.	--	100%

WLFL, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

WLFL LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
WLFL, Inc.	--	100%

SINCLAIR RADIO OF GREENVILLE LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
WLFL, Inc.	--	100%

WTVZ, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

<u>Entity or Individual</u>	<u>Position</u>	<u>% of Votes</u>
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WTVZ LICENSEE, INC. :

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
WTVZ, Inc.	--	100%

WSMH, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

WSMH LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
WSMH, Inc.	--	100%

KOCB, INC. :

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

KOCB LICENSEE, INC.

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
KOCB, Inc.	--	100%

WDKY, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

<u>Entity or Individual</u>	<u>Position</u>	<u>% of Votes</u>
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WDKY LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
WDKY, Inc.	--	100%

KSMO, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

KSMO LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
KSMO, Inc.	--	100%

WYZZ, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

WYZZ LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
WYZZ, Inc.	--	100%

SINCLAIR MEDIA III, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

<u>Entity or Individual</u>	<u>Position</u>	<u>% of Votes</u>
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WSTR LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Sinclair Media III, Inc.	--	100%

WCHS LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Sinclair Media III, Inc.	--	100%

SINCLAIR RADIO OF KANSAS CITY LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Sinclair Media III, Inc.	--	100%

KDSM, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

KDSM LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
KDSM, Inc.	--	100%

TUSCALOOSA BROADCASTING, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

<u>Entity or Individual</u>	<u>Position</u>	<u>% of Votes</u>
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SINCLAIR RADIO OF MILWAUKEE LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Tuscaloosa Broadcasting, Inc.	--	100%

SINCLAIR RADIO OF NEW ORLEANS, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

SINCLAIR RADIO OF NEW ORLEANS LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Sinclair Radio of New Orleans, Inc.	--	100%

SINCLAIR RADIO OF BUFFALO, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

SINCLAIR RADIO OF BUFFALO LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Sinclair Radio of Buffalo, Inc.	--	100%

SINCLAIR RADIO OF WILKES-BARRE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

<u>Entity or Individual</u>	<u>Position</u>	<u>% of Votes</u>
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SINCLAIR RADIO OF WILKES-BARRE LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Sinclair Radio of Wilkes-Barre, Inc.	--	100%

SINCLAIR RADIO OF MEMPHIS, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

SINCLAIR RADIO OF MEMPHIS LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Sinclair Radio of Memphis, Inc.	--	100%

SINCLAIR RADIO OF ST. LOUIS, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
SCI	--	100%

SINCLAIR RADIO OF ST. LOUIS LICENSEE, INC.:

David D. Smith	President, Director	0%
David B. Amy	Secretary, Treasurer, Director	0%
Sinclair Radio of St. Louis, Inc.	--	100%

CHANNEL 63, INC.:

David D. Smith	President, Director	25%
J. Duncan Smith	Vice President, Secretary, Director	25%
Robert E. Smith	Vice President, Treasurer, Director	25%
Frederick G. Smith	Vice President, Assistant Treasurer, Director	25%

<u>Entity or Individual</u>	<u>Position</u>	<u>% of Votes</u>
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BAY TELEVISION, INC.:

David D. Smith	President, Director	18.75%
J. Duncan Smith	Vice President, Secretary, Director	18.75%
Robert E. Smith	Treasurer, Director	18.75%
Frederick G. Smith	Assistant Treasurer, Director	18.75%
Robert L. Simmons	Assistant Treasurer, Director	18.56%

PENDING APPLICATIONS

The following applications are pending for the acquisition of broadcast stations by subsidiaries of Sinclair Broadcast Group, Inc.:

1. Application for consent to the assignment of licenses of television stations WTTV(TV), Bloomington, Indiana and WTTK(TV), Kokomo, Indiana, from River City License Partnership to SCI - Indiana Licensee, Inc. See FCC File Nos. BALCT-961104IA and BALCT-961104IB.
2. Application for consent to the transfer of control of Max Television of Tri-Cities L.P., licensee of television station WEMT(TV), Greeneville, Tennessee and associated translator station W43BO, Marion, Virginia, and Max Television of Dayton L.P., licensee of television station WKEF(TV), Dayton, Ohio, from Max Television Company to Sinclair Communications, Inc. See FCC File Nos. BTCCT-980108IB, BTCTTL-980108ID, and BTCCT-980108IC.
3. Application for consent to the transfer of control of Sullivan Broadcasting Company II, Inc. ("Sullivan"), licensee of television stations WUTV(TV), Buffalo, New York; WUHF(TV), Rochester, New York; WSMN-TV, Madison, Wisconsin; WZTV(TV), Nashville, Tennessee; WRLH-TV, Richmond, Virginia; and WXLV-TV, Winston-Salem, North Carolina, from the shareholders of Sullivan to Sinclair Broadcast Group, Inc. See FCC File Nos. BTCCT-980519IA, BTCCT-980519IB, BTCCT-980519IC, BTCCT-980519ID, BTCCT-980519IE and BTCCT-980519IF.
4. Application for consent to the assignment of license of television station WMHQ(TV), Schenectady, New York from WMHT Educational Telecommunications to Sinclair Communications, Inc. See BALCT-980821IB.
5. Application for consent to the assignment of license of radio station WVKL(FM), Norfolk, Virginia, from Norfolk Trust, Ralph E. Becker, Trustee to Sinclair Radio of Norfolk Licensee, LLC. See FCC File No. BALH-980821FO.
6. Application for consent to the assignment of license of radio station KXOK(FM), Florissant, Missouri from Sinclair Radio of St. Louis Licensee, Inc. (filed September 15, 1998).

The following applications are pending for the disposition of broadcast stations by subsidiaries of Sinclair Broadcast Group, Inc.:

1. Application for consent to the assignment of license of radio station WFOG-FM, Suffolk, Virginia from Sinclair Radio of Norfolk/Greensboro License L.P. to Petracom LLC. See FCC File No. BALH-980710GU.

Also, principals of SBG have interests in a pending application for consent to the assignment of the licensee of television station WIPX(TV), Bloomington, Indiana, from Channel 63, Inc. to RDP Communications License of Indianapolis, Inc. See FCC File No. BALCT-980827IB.

The principals of SBG also have interests in the following pending applications:

1. Application of Chesapeake Television Licensee, Inc. for minor modification of the facilities of WBFF(TV), Baltimore, Maryland. See FCC File No. BPCT-950629KI.
2. Application of WCGV Licensee, Inc. for minor modification of the facilities of WCGV-TV, Milwaukee, Wisconsin See FCC File No. BPCT-950629KH.
3. Application of WPGH Licensee, Inc. for license to cover a construction permit for modification of the facilities of WPGH-TV, Pittsburgh, Pennsylvania. See FCC File No. BLCT-970919KF.
4. Application of Superior OK License Corp. for renewal of the license of KOCB(TV), Oklahoma City, Oklahoma. See FCC File No. BRCT-980202KH.
5. Application of Sinclair Radio of Buffalo Licensee, Inc. for renewal of the license of WGR(AM), Buffalo, New York. See FCC File No. BR-980202E6.
6. Application of KUPN Licensee, Inc. for minor modification of the facilities of KVWB(TV) (formerly KUPN), Las Vegas, Nevada. See FCC File No. BMPCT-980312KE.
7. Application of KUPN Licensee, Inc. for the renewal of license of KVWB(TV), Las Vegas, Nevada. See FCC File No. BRCT-980601HI.
8. Application of KABB Licensee, Inc. for renewal of the license of KABB(TV), San Antonio, Texas. See FCC File No. BRCT-980401KE.
9. Application of Sinclair Radio of Wilkes-Barre Licensee, Inc. for renewal of the license of WKRF(FM), Tobyhanna, Pennsylvania. See FCC File No. BRH-980401S8.
10. Application of Sinclair Radio of Wilkes-Barre Licensee, Inc. for renewal of the license of WGGI(FM), Benton, Pennsylvania. See FCC File No. BRH-980401S9.

11. Application of Sinclair Radio of Wilkes-Barre Licensee, Inc. for renewal of the license of WGGY(FM), Scranton, Pennsylvania. See FCC File No. BRH-980401U4.
12. Application of Sinclair Radio of Buffalo Licensee, Inc. for a construction permit for new auxiliary antenna for station WKSE(FM), Niagra Falls, New York. See FCC File No. BPH-980701IE.
13. Application of Sinclair Radio of Buffalo Licensee, Inc. for a construction permit for new auxiliary antenna for station WMIQ(FM), Buffalo, New York. See FCC File No. BPH-980701IG.
14. Application of SCI-Sacramento Licensee, Inc. for a renewal of the license of KOVR(TV), Stockton, California. See FCC File No. BRCT-980803IC.
15. Application of WPGH Licensee, Inc. for a construction permit for a new DTV station for WPGH-TV, Pittsburgh, Pennsylvania. See FCC File No. BDCDT-980393KS.
16. Application of Chesapeake Television Licensee, Inc. for a construction permit for a new DTV station for WBFF(TV), Baltimore, Maryland. See FCC File No. BPCDT-980803KR.
17. Application of KDNL Licensee, Inc. for a construction permit for a new DTV station for KDNL-TV, St. Louis, Missouri. See FCC File No. BPCDT-980803KT.
18. Application of SCI-Sacramento Licensee, Inc. for a construction permit for a new DTV station for KOVR(TV), Stockton, California. See FCC File No. BPCDT-980803KK.
19. Application of WLFL Licensee, Inc. for a construction permit for a new DTV station for WLFL(TV), Raleigh, North Carolina. See FCC File No. BPCDT-980803KM.

Finally, SBG subsidiaries have pending the following applications for authority to construct new television stations:

1. Application of Sinclair Communications of Portland, Inc. for a new television station on Channel 40 at Portland, Oregon (filed July 24, 1996).
2. Application of Sinclair Communications of Geistown, Inc., for a new television station on Channel 69 at Geistown, Pennsylvania (filed July 24, 1996).
3. Application of Sinclair Communications of Hollidaysburg, Inc., for a new television station on Channel 63 at Hollidaysburg, Pennsylvania (filed July 24, 1996).
4. Application of Sinclair Communications of Virginia Beach, Inc., for a new television station on Channel 21 at Virginia Beach, Virginia. See FCC File No. BPCT-960724LE.

DISMISSED APPLICATIONS

Principals of SBG held interests in Four Jacks Broadcasting, Inc., an applicant for authority to construct a new broadcast station on Channel 2 at Baltimore, Maryland. See File No. BPCT-910903KE. This application was dismissed pursuant to a settlement in MM Docket No. 93-94.

The principals of SBG may have been principals in other entities that have had routine applications to the FCC voluntarily dismissed, or dismissed or denied by the Commission for technical reasons. However, no such applications have been dismissed or denied for any reason that would reflect adversely upon their basic qualifications to be licensees of the FCC.

RIVER CITY LICENSE PARTNERSHIP

It is contemplated that, at some point following the consummation of the assignment proposed herein, (i) Mr. Barry Baker will be elected as a director, and appointed as an officer, of Sinclair Broadcast Group, Inc., Sinclair Communications, Inc., and all other SBG subsidiaries engaged in the broadcasting business; and (ii) Mr. Roy F. Coppedge will be elected as a director of Sinclair Broadcast Group, Inc. and Sinclair Communications, Inc. Mr. Baker holds an attributable interest in River City License Partnership ("RCLP"), and Mr. Coppedge is connected with certain entities which hold insulated limited partnership interests in RCLP. Neither Mr. Baker nor Mr. Coppedge will be elected as directors or appointed as officers of SBG or any of its subsidiaries until after the consummations of: (i) the assignment of license of WTTE(TV), Columbus, Ohio, from WTTE, Channel 28 Licensee, Inc. to Columbus (WTTE-TV) Licensee, Inc.; and (ii) the divestiture of the attributable interests of David D. Smith, Frederick G. Smith, J. Duncan Smith, and Robert E. Smith in Channel 63, Inc., the licensee of WIPX(TV) (formerly WIIB), Bloomington, Indiana. Consummation of the assignment of license of WTTE(TV) to

Columbus (WTTE-TV) Licensee, Inc. occurred on August 21, 1998. An application for consent to the assignment of license of WIPX(TV) from Channel 63, Inc. to RDP Communications License of Indianapolis, Inc. was filed on August 27, 1998. See FCC File No. BALCT-980827IB.

RCLP is the licensee of WTTV(TV), Bloomington, Indiana; and WTTK(TV), Kokomo, Indiana. As noted above, there is pending an application for consent to the assignment of licenses of stations WTTV(TV) and WTTK(TV) from RCLP to SCI - Indiana Licensee, Inc., a subsidiary of SBG. See File Nos. BALCT-961104IA and BALCT-961104IB. In addition, RCLP may from time to time have applications of a routine nature pending before the Commission.

RCLP and/or its principals may have had routine applications to the FCC voluntarily dismissed, or dismissed or denied by the Commission for technical reasons. However, no such applications have been dismissed or denied for any reason that would reflect adversely upon their basic qualifications to be licensees of the FCC.

REQUEST FOR WAIVERS OF SECTION 73.3555(b)

The instant application proposes the assignment of the licenses of the following television stations from Guy Gannett Communications to Sinclair Communications, Inc. ("SCI"):

KGAN-TV, Cedar Rapids, Iowa
WGGB-TV, Springfield, Massachusetts
WICD(TV), Champaign, Illinois
WICS(TV), Springfield, Illinois.^{1/}

Indirect subsidiaries of SCI are currently the licensees of KDSM-TV, Des Moines, Iowa, WYZZ-TV, Bloomington, Illinois, and KDNL-TV, St. Louis, Missouri, and SCI is the proposed assignee of WMHQ(TV), Schenectady, New York (see FCC File No. BALCT-980821IB).

As demonstrated in the attached Engineering Statements: (a) the Grade B contours of KGAN-TV and KDSM-TV overlap; (b) the Grade B contours of WICS and KDNL-TV overlap; (c) the Grade B contours of WICD and WYZZ-TV overlap; (d) the Grade A and B contours of WGGB-TV and WMHQ overlap; and (e) the Grade A and B contours of WICS and WYZZ-TV overlap.^{2/} See Attachment 1 hereto. Accordingly, waivers of Section 73.3555(b), the television

^{1/} SCI also proposes to acquire WTWC-TV, Tallahassee, Florida, WGME-TV, Portland, Maine, and WOKR-TV, Rochester, New York. No waivers of Section 73.3555(b) are required for the assignment of WTWC-TV or WGME-TV. Moreover, simultaneously herewith under separate cover, SCI is filing an application for consent to the assignment of WOKR-TV to AK Media Group, Inc. SCI intends to close simultaneously on the purchase of the Gannett stations and the sale of WOKR-TV and is willing to accept a grant of the applications conditioned on such simultaneous closing. Accordingly, no waivers have been requested with respect to this station.

^{2/} Though WICD and WICS, both stations to be acquired herein, have overlapping Grade B contours, the stations currently are commonly owned pursuant to the satellite exception to the television duopoly rule contained in Note 5 of Section 73.3555 of the Commission's

duopoly rule, are required for common ownership of the above-referenced stations, and are hereby respectfully requested. Because there is more than de minimis overlap between the Grade A contours of WICS and WYZZ-TV, SCI requests a temporary nine-month waiver of the duopoly rule to allow for its orderly divestiture of one of these stations in order to come into compliance with the duopoly rule.

I. INTRODUCTION

The ultimate objective of the television duopoly rule is to promote diversity of programming sources and viewpoints as well as to prevent any undue concentration of economic power contrary to the public interest. Multiple Ownership Rules, 22 FCC2d 306, 311 (1970), recon. granted in part, 28 FCC2d 662 (1971). In adopting the rule, however, the Commission acknowledged the need for flexibility in its application, noting that waivers should be granted where rigid conformance to the rule would be inappropriate. Argyle Television, Inc., FCC 97-250, ¶ 10 (July 16, 1997) (citing Multiple Ownership of Standard FM and Television Broadcast Stations, 45 FCC2d 1476 n.1, recon. granted in part, 3 RR2d 1554 (1964)). To that end, the Commission will grant a waiver of the duopoly rule where consideration of the following factors militates in favor of the grant: (1) the extent of the overlap; (2) the number of media voices available in the overlap area; (3) the distinctness of the respective markets; (4) the independence of the stations' operations; and (5) the concentration of economic power resulting from the

rules. Attached hereto as Assignee's Exhibit C-2 is a request for continued authority to operate WICD as a satellite of WICS.

common ownership. See, e.g., Stockholders of CBS, Inc., 11 FCC Rcd 3733, 3759 (1995); Iowa State University Broadcasting Corporation, 9 FCC Rcd 481, 487-88 (1993), aff'd sub nom. Iowans for WOI-TV, Inc., 50 F.3d 1096 (D.C. Cir. 1995). After weighing the factors, the Commission will consider whether the public interest benefits that would be gained from waiving the duopoly rule outweigh any detrimental effects that would result from the overlap. See, e.g., Capital Cities/ABC, Inc., 11 FCC Rcd 5841, 5863 (1996). In each of the following cases, consideration of these factors supports grant of the requested waiver.

II. DISCUSSION

A. KGAN-TV, Cedar Rapids, Iowa and KDSM-TV, Des Moines, Iowa

The proposed common ownership of KGAN-TV and KDSM-TV is in accord with the Commission's interim television duopoly waiver policy authorizing common ownership of television stations located in separate Designated Market Areas ("DMAs") and whose Grade A contours do not overlap, conditioned on the resolution of the Commission's pending television ownership rule making proceeding. See Review of the Commission's Regulations Governing Television Broadcasting, 11 FCC Rcd 21655, 21681 (1996) (hereinafter Television Rule Making). KGAN-TV is located in the Cedar Rapids-Waterloo & Dubuque, Iowa DMA, the 87th ranked television market. KDSM-TV is located in the Des Moines-Ames, Iowa DMA, the 69th ranked television market. Moreover, as demonstrated below, the Grade A contours of these stations do not overlap, and the extent of the Grade B overlap is insubstantial.

1. Extent of the Overlap

The overlap area created by the intersection of the Grade B contours of the licensed facilities of KGAN-TV and KDSM-TV encompasses 3,468 square kilometers and 71,609 people. This overlap constitutes only 7.75% of the population and 8.31% of the area within the Grade B contour of KGAN-TV and 10.48% of the population and 16.28% of the area within the Grade B contour of KDSM-TV. See Attachment 1, Appendix 2 at Table 1 ("IA Engineering Study"). The Grade A contours of the stations do not overlap. Id. There is an application pending to upgrade the facilities of KDSM-TV (see FCC File No. BPCT-980621KF), but implementation of the proposed upgrade will result in only an insubstantial increase in the area of Grade B overlap between the stations and will not cause the stations' Grade A contours to overlap. See id. at Table 3.^{3/}

Moreover, the extent of the Grade B overlap area in this case is less than the overlap in other cases in which the Commission has previously approved waivers. See, e.g., Media General Broadcasting, Inc., 12 FCC Rcd 10434 (1997) (granting waiver where Grade B overlap population figures were 10.8% and 12.8%, and overlap area figures were 21.9% and 18%), NWCG Holdings Corp., 5 CR 535 (1996) (granting waiver where Grade B overlap population

^{3/} Specifically, upon implementation of the proposed KDSM-TV upgrade, the overlap area created by the intersection of the Grade B contours of KDSM-TV and KGAN-TV will encompass 4,075 square kilometers and 76,675 people, which will constitute 10.62% of the population and 17.07% of the area within the Grade B contour of KDSM-TV and 8.30% of the population and 9.76% of the area within the Grade B contour of KGAN-TV. See IA Engineering Study at Table 3.

figures were 29.4% and 10.2%, and overlap area figures were 14.7% and 16.5%); Capital Cities/ABC, Inc., 2 CR 498 (1996) (granting waiver where Grade B overlap population figures were 27.5% and 14.6%, and overlap area figures were 23% and 34.6%).

2. Distinctness of the Markets

KGAN-TV and KDSM-TV are located in separate and distinct markets. KGAN-TV and KDSM-TV are located in separate DMAs, their Grade A contours do not overlap and will not overlap upon implementation of the proposed KDSM-TV upgrade, and the extent of the Grade B overlap, as shown above, is well within the range of prior cases in which the Commission has granted waivers.

3. Number of Media Voices Available in the Overlap Area

The overlap area contains a substantial number of media voices. Specifically, in addition to KGAN-TV and KDSM-TV, nine other television stations (seven commercial and two noncommercial) provide Grade B service to some portion of the population in the Grade B overlap area, five of which provide Grade B service to the entire Grade B overlap area. See IA Engineering Study at Tables 1 and 4. After implementation of the proposed KDSM-TV upgrade, these nine television stations as well as two others (one commercial and one noncommercial) will serve the Grade B overlap area. Id. at Tables 2 and 6.

In addition, 50 cable systems, operated by 21 separate operators, serve counties in the KGAN-TV/KDSM-TV overlap area and offer, on average, 26 channels of video programming.

See Attachment 2 hereto. These same cable systems will serve the overlap area after implementation of the proposed KDSM-TV upgrade. *Id.*

In addition to these video service offerings, numerous radio stations serve the area. The area is served by a minimum of eight and a maximum of 27 commercial radio stations. See IA Engineering Study at Table 3. The same number of radio stations will serve the overlap area upon implementation of the proposed KDSM-TV upgrade. *Id.* at Table 5. Moreover, the counties in the overlap area are served by four daily and 27 weekly newspapers, which will continue to serve the overlap area upon implementation of the KDSM-TV upgrade. See Attachment 3.

In sum, the KGAN-TV/KDSM-TV overlap area is served by a multitude of media voices, providing substantial competition and diversity of viewpoints and, after implementation of the KDSM-TV upgrade, will continue to be so served.

4. Independence of the Stations' Operations

Following the assignment of KGAN-TV, both KGAN-TV and KDSM-TV will continue to operate separately, including the continued use of their own local sales, programming, news and office staffs.

5. Concentration of Economic Power Resulting from the Combination

Grant of the instant waiver request will not result in an undue concentration of economic power in the KGAN-TV/KDSM-TV overlap area. KGAN-TV is an CBS affiliate, it operates on VHF Channel 2 at an effective radiated power of 100 kilowatts from an antenna 442 meters

above average terrain and trails both the ABC and NBC affiliates in terms of average station shares during prime time and over the total day. See Attachment 4 hereto and BIA's Television Yearbook '98 at 31. KDSM-TV is a FOX affiliate operating on UHF Channel 17 at an effective radiated power of 3020 kilowatts from an antenna 463 meters above average terrain. See Attachment 4.^{4/} There are 7 other VHF stations and two other high-powered UHF stations with facilities comparable to those of KDSM-TV that serve some portion of the overlap area. See IA Engineering Study at Table 4 and Attachment 4. After implementation of the KDSM-TV upgrade, two additional VHF stations will compete in the overlap area. Moreover, Nielsen ratings data for the 1997 surveys indicates that KDSM-TV, with an average share of 7% for the total day during prime time, trails the affiliates of ABC, CBS and NBC in terms of average station shares during prime time and over the total day. See BIA's Television Yearbook '98 at 55. Moreover, cable penetration in the Cedar Rapids-Waterloo & Dubuque DMA is 64%, while cable penetration in the Des Moines-Ames DMA is 61%.

In these circumstances, where neither station dominates its market and a diversity of media voices compete in the overlap area, the proposed combination presents no competitive threat. As the Commission has recognized previously, the non-dominant positions of stations in the marketplace may reduce their impact on competition in the overlap area. See Act III Communications Holdings, L.P., 11 FCC Red 5735, 5739 (1995).

^{4/} After implementation of the KDSM-TV upgrade, the station will operate at an effective radiated power of 5000 kilowatts from an antenna 462 meters above average terrain.

Thus, the proposed common ownership of KGAN-TV and KDSM-TV will not impair competition and fully comports with existing precedent and the Commission's interim waiver policy. In such circumstances, grant of this waiver request will have no detrimental effects. Moreover, if the waiver is granted, SCI will use its resources to serve the needs of the viewers in the Cedar Rapids and Des Moines markets. Accordingly, SCI respectfully requests that the Commission waive the television duopoly rule and permit SCI's common ownership of KGAN-TV and KDSM-TV.

B. WICS, Springfield, Illinois, and KDNL-TV, St. Louis, Missouri

The proposed common ownership of WICS and KDNL-TV is in accord with the Commission's interim television duopoly waiver policy authorizing common ownership of television stations located in separate DMAs and whose Grade A contours do not overlap, conditioned on the resolution of the Commission's pending television ownership rule making proceeding. See Television Rule Making, 11 FCC Rcd 21655, 21681 (1996). WICS is located in the Champaign & Springfield-Decatur, Illinois DMA, the 81st ranked television market. KDNL-TV is located in the St. Louis, Missouri DMA, the 21st ranked television market. Moreover, as demonstrated below, the Grade A contours of these stations do not overlap, and the extent of the Grade B overlap is insubstantial.

1. Extent of the Overlap

The overlap area created by the intersection of the Grade B contours of the licensed facilities of WICS and KDNL-TV encompasses 251 square kilometers and 5,864 people. This

overlap constitutes only 1.00% of the population and 1.15% of the area within the Grade B contour of WICS and 0.23% of the population and 1.28% of the area within the Grade B contour of KDNL-TV. See Attachment 1, Appendix 4 at Table 3 ("IL/MO Engineering Study"). The Grade A contours of the stations do not overlap. *Id.* There is an application pending to upgrade the facilities of KDNL-TV (see FCC File No. BPCT-960621KJ), but implementation of the proposed upgrade will result in only an insubstantial increase in the area of Grade B overlap between the stations and will not cause the stations' Grade A contours to overlap. See *id.* at Table 3.^{5/}

Moreover, the extent of the Grade B overlap area in this case is less than the overlap in other cases in which the Commission has previously approved waivers. See, e.g., Media General Broadcasting, Inc., 12 FCC Rcd 10434 (1997) (granting waiver where Grade B overlap population figures were 10.8% and 12.8%, and overlap area figures were 21.9% and 18%), NWCG Holdings Corp., 5 CR 535 (1996) (granting waiver where Grade B overlap population figures were 29.4% and 10.2%, and overlap area figures were 14.7% and 16.5%); Capital Cities/ABC, Inc., 2 CR 498 (1996) (granting waiver where Grade B overlap population figures were 27.5% and 14.6%, and overlap area figures were 23% and 34.6%).

^{5/} Specifically, upon implementation of the proposed KDNL-TV upgrade, the overlap area created by the intersection of the Grade B contours of KDNL-TV and WICS will encompass 728 square kilometers and 13,691 people, which will constitute 2.34% of the population and 3.33% of the area within the Grade B contour of WICS and 0.52% of the population and 3.07% of the area within the Grade B contour of KDNL-TV. See IL/MO Engineering Study at Table 4.

2. Distinctness of the Markets

WICS and KDNL-TV are located in separate and distinct markets. WICS and KDNL-TV are located in separate DMAs, their Grade A contours do not overlap and will not overlap upon implementation of the proposed KDNL-TV upgrade, and the extent of the Grade B overlap, as shown above, is well within the range of prior cases in which the Commission has granted waivers.

3. Number of Media Voices Available in the Overlap Area

The overlap area contains a substantial number of media voices. Specifically, in addition to WICS and KDNL-TV, seven other television stations (six commercial and one noncommercial) provide Grade B service to some portion of the population in the Grade B overlap area, six of which provide Grade B service to the entire Grade B overlap area. See IL/MO Engineering Study at Tables 3 and 14. The same television stations will serve the Grade B overlap area, five of which will serve the entire overlap area, after implementation of the proposed KDNL-TV upgrade. *Id.* at Tables 4 and 16.

In addition, 22 cable systems, operated by six separate operators, serve counties in the WICS/KDNL-TV overlap area and offer, on average, 27 channels of video programming. See Attachment 5 hereto. After implementation of the proposed KDNL-TV upgrade, 27 cable systems, operated by seven separate operators, will serve counties in the WICS/KDNL-TV overlap area and offer, on average, 26 channels of video programming. *Id.*

In addition to these video service offerings, numerous radio stations serve the area. The area is served by a minimum of 11 and a maximum of 24 commercial radio stations. See IL/MO Engineering Study at Table 13. Upon implementation of the proposed KDNL-TV upgrade, the overlap area will be served by a minimum of 10 and a maximum of 24 radio stations. Id at Table 15. Moreover, the overlap area is served by one daily and 13 weekly newspapers. See Attachment 6. Once the KDNL-TV modification is implemented, in addition to these newspapers, two more weekly newspapers will serve the overlap area. Id.

In sum, the WICS/KDNL-TV overlap area is served by a multitude of media voices, providing substantial competition and diversity of viewpoints and, after implementation of the KDNL-TV upgrade, will continue to be so served.

4. Independence of the Stations' Operations

Following the assignment of WICS, both WICS and KDNL-TV will continue to operate separately, including the continued use of their own local sales, programming, news and office staffs.

5. Concentration of Economic Power Resulting from the Combination

Grant of the instant waiver request will not result in an undue concentration of economic power. WICS is an NBC affiliate operating on UHF Channel 20 at an effective radiated power of 1510 kilowatts from an antenna 436 meters above average terrain. See Attachment 7 hereto. KDNL-TV is an affiliate of ABC and UPN operating on UHF Channel 30 at an effective radiated

power of 2190 kilowatts from an antenna 335 meters above average terrain. *Id.*^{6/} There are six VHF stations and one other high-powered UHF stations with comparable technical facilities that serve some portion of the overlap area. See IL/MO Engineering Study at Table 14 and Attachment 7. These same stations will continue to compete in the overlap area after implementation of the KDNL-TV upgrade. See IL/MO Engineering Study at Table 16.

Moreover, WICS trails the CBS affiliate in the market, and Nielsen ratings data for the 1997 surveys indicates that KDNL-TV trails the affiliates of CBS, NBC and FOX in terms of average station shares during prime time and over the total day and trails the WB affiliate in terms of average station shares over the total day. See BIA's Television Yearbook '98 at 32, 183. Thus, neither station dominates its market. Moreover, neither WICS nor KDNL-TV is significantly viewed in the other's market. See Warren Publishing's Cable and Station Coverage Atlas '98 at 100-02, 120-22. More specifically, in no one county within the overlap area are both stations significantly viewed. *Id.* Therefore, SCI is proposing to own two stations that have distinct viewer followings. In these circumstances, the proposed common ownership presents no competitive threat; accordingly, grant of this waiver request will have no detrimental effects.

Moreover, if the waiver is granted, SCI will use its resources to serve the needs of viewers in the Springfield and St. Louis markets. Accordingly, SCI respectfully requests that the Commission waive the television duopoly rule and grant its application to acquire WICS.

^{6/} After implementation of the KDNL-TV upgrade, the station will operate at an effective radiated power of 5000 kilowatts from an antenna 336 meters above average terrain.

C. WICD, Champaign, Illinois, and WYZZ-TV, Bloomington, Illinois

The proposed common ownership of WICD and WYZZ-TV is in accord with the Commission's interim television duopoly waiver policy authorizing common ownership of television stations located in separate DMAs and whose Grade A contours do not overlap, conditioned on the resolution of the Commission's pending television ownership rule making proceeding. See Television Rule Making, 11 FCC Rcd 21655, 21681 (1996). WICD is located in the Champaign & Springfield-Decatur, Illinois DMA, the 81st ranked television market. WYZZ-TV is located in the Peoria-Bloomington, Illinois DMA, the 110th ranked television market. Moreover, as demonstrated below, the Grade A contours of these stations do not overlap, and the extent of the Grade B overlap is insubstantial.

1. Extent of the Overlap

The overlap area created by the intersection of the Grade B contours of the licensed facilities of WICD and WYZZ-TV encompasses 711 square kilometers and 6,698 people. This overlap constitutes only 1.56% of the population and 4.36% of the area within the Grade B contour of WICD and 1.12% of the population and 4.60% of the area within the Grade B contour of WYZZ-TV. See Attachment 1, Appendix 3 at Table 1 ("IL Engineering Study"). The Grade A contours of the stations do not overlap. There is an application pending to upgrade the facilities of WYZZ-TV (see FCC File No. BPCT-950629KR), but implementation of the proposed upgrade will result in an insubstantial increase in the area of Grade B overlap between

the stations and will not cause the stations' Grade A contours to overlap. See id. at Exhibit 1 and Table 2.^{2/}

Moreover, the extent of the Grade B overlap area in this case, even after implementation of the WYZZ-TV upgrade, is less than the overlap in other cases in which the Commission has previously approved waivers. See, e.g., Media General Broadcasting, Inc., 12 FCC Rcd 10434 (1997) (granting waiver where Grade B overlap population figures were 10.8% and 12.8%, and overlap area figures were 21.9% and 18%), NWCG Holdings Corp., 5 CR 535 (1996) (granting waiver where Grade B overlap population figures were 29.4% and 10.2%, and overlap area figures were 14.7% and 16.5%); Capital Cities/ABC, Inc., 2 CR 498 (1996) (granting waiver where Grade B overlap population figures were 27.5% and 14.6%, and overlap area figures were 23% and 34.6%).

2. Distinctness of the Markets

WICD and WYZZ-TV are located in separate and distinct markets. WICD and WYZZ-TV are located in separate DMAs, their Grade A contours do not overlap and will not overlap upon implementation of the proposed WYZZ-TV upgrade, and the extent of the Grade B overlap,

^{2/} Specifically, upon implementation of the proposed WYZZ-TV upgrade, the overlap area created by the intersection of the Grade B contours of WYZZ-TV and WICD will encompass 1,668 square kilometers and 17,573 people, which will still only constitute 4.08% of the population and 10.23% of the area within the Grade B contour of WICD and 2.44% of the population and 7.77% of the area within the Grade B contour of WYZZ-TV. See IL Engineering Study at Table 2.

as shown above, is well within the range of prior cases in which the Commission has granted waivers.

3. Number of Media Voices Available in the Overlap Area

The overlap area contains a multitude of media voices. Specifically, in addition to WICD and WYZZ-TV, seven other television stations (six commercial and one noncommercial) provide Grade B service to some portion of the population in the Grade B overlap area, two of which provide Grade B service to the entire Grade B overlap area. See IL Engineering Study at Tables 1 and 4. The same television stations will serve the Grade B overlap area after implementation of the proposed WYZZ-TV upgrade. Id. at Tables 2 and 6.

In addition, 45 cable systems, operated by 10 separate operators, serve counties in the WICD/WYZZ-TV overlap area and offer, on average, 27 channels of video programming. See Attachment 8. Upon implementation of the proposed WYZZ-TV upgrade, 66 cable systems operated by 16 separate operators and offering approximately 30 channels of video programming will serve communities in the WICD/WYZZ-TV overlap area. Id.

In addition to these video service offerings, numerous radio stations serve the area. The area is served by a minimum of six and a maximum of 14 commercial radio stations. See IL Engineering Study at Table 3. Upon implementation of the proposed WYZZ-TV upgrade, the area will be served by a minimum of four and a maximum of 17 radio stations. Id. at Table 5. Moreover, the overlap area is served by four daily and 16 weekly newspapers. See Attachment

9. Once the WYZZ-TV upgrade is implemented, six daily and 25 weekly newspapers will serve the overlap area. *Id.*

In sum, the WICD/WYZZ-TV overlap area is served by a multitude of media voices, providing substantial competition and diversity of viewpoints, and, after implementation of the WYZZ-TV upgrade, will continue to be so served.

4. Independence of the Stations' Operations

Following the assignment of WICD, both WICD and WYZZ-TV will continue to operate separately, including the continued use of their own local sales, programming, news and office staffs.

5. Concentration of Economic Power Resulting from the Combination

Grant of the instant waiver request will not result in an undue concentration of economic power in the WICD/WYZZ-TV overlap area. WICD, an NBC affiliate, operates as a satellite and rebroadcasts substantially all of the programming of WICS, its parent station. It operates on UHF Channel 15 at an effective radiated power of 550 kilowatts from an antenna 396 meters above average terrain. See Attachment 10 hereto and BIA's Television Yearbook '98 at 32. As demonstrated in the attached satellite waiver request, WICD has never operated as a stand-alone facility and is dependent upon its relationship with WICS for survival in the market. WYZZ-TV is a FOX affiliate operating on UHF Channel 43 at an effective radiated power of 1120 kilowatts

from an antenna 293 meters above average terrain. See Attachment 10.^{8/} Nielsen ratings data for the 1997 surveys indicates that WYZZ-TV, with an average share of 7% for the total day and 8% during prime time, trails the affiliates of ABC/UPN, CBS and NBC in terms of average station shares during prime time and over the total day. See BIA's Television Yearbook '97 at 147. Moreover, cable penetration in the Champaign & Springfield-Decatur DMA is 75%, while cable penetration in the Peoria-Bloomington DMA is 71%.

In these circumstances, where both stations are non-dominant stations whose Grade B contours overlap over a relatively small area served by a multitude of competing media, the proposed common ownership presents no competitive threat. As the Commission has recognized previously, the non-dominant positions of stations in the marketplace may reduce their impact on competition in the overlap area. See Act III Communications Holdings, L.P., 11 FCC Rcd 5735, 5739 (1995).

Thus, the proposed common ownership of WICD and WYZZ-TV will not impair competition and fully comports with existing precedent and the Commission's interim waiver policy. In such circumstances, grant of this waiver request will have no detrimental effects. Moreover, if the waiver is granted, SCI will use its resources to serve the needs of the viewers in the Champaign and Bloomington markets. Accordingly, SCI respectfully requests that the Commission waive the television duopoly rule and grant its application to acquire WICD.

^{8/} After implementation of the WYZZ-TV upgrade, the station will operate at an effective radiated power of 5000 kilowatts from an antenna 294 meters above average terrain.

D. WGGB-TV, Springfield, Massachusetts, and WMHQ, Schenectady, New York

1. Extent of the Overlap

The overlap area created by the intersection of the Grade B contours of the licensed facilities of WGGB-TV and WMHQ encompasses 2,169 square kilometers and 110,917 people. This overlap constitutes 4.1% of the population and 12.3% of the area within the WGGB-TV Grade B contour and 8.8% of the population and 12.5% of the area within the WMHQ Grade B contour. MA/NY Engineering Study at Table 1. Moreover, there is a de minimis amount of Grade A overlap. Specifically, the overlap area created by the intersection of the Grade A contours of the stations encompasses just 13 square kilometers and 4,082 people, representing 0.246% of the population and 0.123% of the area within the WGGB-TV Grade A contour and 0.395% of the population and 0.127% of the area within the WMHQ Grade A contour. MA/NY Engineering Study at Table 1. This negligible amount of Grade A overlap raises no concerns regarding loss of diversity or undue concentration and, therefore, should not affect the instant duopoly analysis.

Moreover, the extent of the Grade B overlap population and area in this case is less than the overlap in other cases in which the Commission has previously approved waivers. See, e.g., Media General Broadcasting, Inc., 12 FCC Rcd 10434 (1997) (granting waiver where Grade B overlap population figures were 10.8% and 12.8%, and overlap area figures were 21.9% and 18%), NWCG Holdings Corp., 11 FCC Rcd 16318 (1996) (granting waiver where Grade B overlap population figures were 29.4% and 10.2%, and overlap area figures were 14.7% and

16.5%); Capital Cities/ABC, Inc., 11 FCC Rcd 5841 (1996) (granting waiver where Grade B overlap population figures were 27.5% and 14.6%, and overlap area figures were 23% and 34.6%).

2. Distinctness of the Markets

WGGB-TV and WMHQ are located in separate and distinct markets. WGGB-TV is located in the Springfield-Holyoke, Massachusetts DMA, the 103rd ranked television market, while WMHQ is located in the Albany-Schenectady-Troy, New York DMA, the 52nd ranked television market. Moreover, the extent of the Grade B overlap between the stations' contours, as demonstrated above, is comparable to that in prior cases in which the Commission has granted waivers. Though there is Grade A contour overlap between the stations, this Grade A overlap is de minimis. Finally, the communities that the stations are licensed to serve are located in separate states, have separate governments, municipal services and daily newspapers.

3. Number of Media Voices Available in the Overlap Area

The overlap area contains a multitude of media voices. Specifically, in addition to WGGB-TV and WMHQ, 20 other television stations (15 commercial and five noncommercial) provide Grade B service to some portion of the population in the Grade B overlap area, three of which provide Grade B service to the entire Grade B overlap area. See MA/NY Engineering Study at Tables 1 and 5.^{9/}

^{9/} Twelve of those stations (10 commercial and two noncommercial) provide Grade B service to the Grade A overlap area. See MA/NY Engineering Study at Tables 1 and 3.

In addition, 42 cable systems, operated by 19 separate operators, serve counties in the WGGB-TV/WMHQ Grade B overlap area and offer, on average, approximately 27 channels of video programming. See Attachment 11 hereto.

In addition to these video service offerings, numerous radio stations serve the WGGB-TV/WMHQ Grade B overlap area. The overlap area is served by a minimum of two and a maximum of 14 commercial radio stations. See MA/NY Engineering Study at Table 4.^{10/} Moreover, the Grade B overlap area is served by eight daily and 20 weekly newspapers. See Attachment 12.

In sum, the WGGB-TV/WMHQ overlap area is served by a multitude of media voices, providing substantial competition and diversity of viewpoints.

4. Independence of the Stations' Operations

Because WGGB-TV and WMHQ are located in separate and distinct communities, each with its own needs and interests, following the assignment of each of the stations to SCI, each will continue to operate separately, including the continued use of their own local sales, programming, news and office staffs.

5. Concentration of Economic Power Resulting from the Common Ownership

Grant of the instant waiver request will not result in an undue concentration of economic power in the WGGB-TV/WMHQ overlap area. WGGB-TV is an ABC affiliate. It operates on

^{10/} A minimum of 12 and a maximum of 13 commercial radio stations serve the Grade A overlap area. See MA/NY Engineering Study at Table 2.

UHF Channel 40 at an effective radiated power of 4270 kilowatts from an antenna 322 meters above average terrain and trails the NBC affiliate, the only other network affiliate in the market, in terms of average station share during prime time and over the total day. See Attachment 13 and BIA's Television Yearbook '98 at 181. Moreover, the combined shares for cable and the over-the-air stations outside the market greatly exceed the combined shares of WGGB-TV and the NBC affiliate. See BIA's Television Yearbook '98 at 181. WMHQ operates on UHF Channel 45 at an effective radiated power of 2950 kilowatts from an antenna 338 meters above average terrain. See Attachment 13. While WMHQ currently is a PBS affiliate and trails all the network affiliates (ABC, CBS, NBC and FOX) in the market in terms of average station share during prime time and over the total day as well as WMHT(TV), Channel 17, Schenectady, New York, the other PBS affiliate in the market, SCI plans to convert the station's affiliation. See BIA's Television Yearbook '98 at 3. Nevertheless, the effect of this affiliation change currently is unknown. Moreover, cable penetration in the Springfield-Holyoke DMA is 81%, while cable penetration in the Albany-Schenectady-Troy DMA is 74%.

In these circumstances, where neither station dominates its market and there is a diversity of media voices competing in the overlap area, the proposed common ownership presents no competitive threat. As the Commission has recognized previously, the non-dominant positions of stations in the marketplace may reduce their impact on competition in the overlap area. See Act III Communications Holdings, L.P., 11 FCC Rcd 5735, 5739 (1995).

Thus, the proposed common ownership of WGGB-TV and WMHQ, while creating a minimal area of Grade B overlap of the stations, will not impair competition. In such circumstances, grant of this waiver request will have no detrimental effects. Moreover, if the waiver is granted, SCI will use its resources to serve the needs of viewers in the Springfield-Holyoke and Albany-Schenectady-Troy markets. Moreover, the instant waiver request would be consistent with the Commission's interim television duopoly waiver policy but for the de minimis overlap of the stations' Grade A contours. Because the amount of Grade A overlap is negligible, it raises no concerns regarding loss of diversity or undue concentration and, therefore, should not affect the instant duopoly analysis.

E. WICS, Springfield, Illinois, and WYZZ-TV, Bloomington, Illinois

1. Extent of the Overlap

The overlap area created by the intersection of the Grade A contours of WICS and WYZZ-TV encompasses 1,026 square kilometers and 11,469 people, representing 2.67% of the population and 7.9% of the area within the WICS Grade A contour and 2.33% of the population and 10.9% of the area within the WYZZ-TV Grade A contour. See Attachment 1, Appendix 4 at Table 1 ("IL-2 Engineering Study"). The overlap area created by the intersection of the Grade B contours of the stations encompasses 4,630 square kilometers and 86,790 people, representing 14.8% of the population and 21.2% of the area within the WICS Grade B contour and 14.5% of the population and 30.0% of the area within the WYZZ-TV Grade B contour. *Id.* Upon

implementation of the pending WYZZ-TV upgrade, the Grade A and Grade B overlap between the stations will increase slightly.^{11/}

Though the extent of the overlap between WICS and WYZZ-TV is not insignificant, the stations' locations in separate DMAs and the existence of a multitude of competing media outlets in the overlap area mitigate concerns regarding diversity and competition. Accordingly, a temporary nine-month waiver of the duopoly rule is warranted. The Commission recently granted a such a temporary waiver where substantial Grade A and Grade B overlap existed between a VHF and a UHF television station located in the same DMA. See Granite Broadcasting Corporation, FCC 98-135 (released June 24, 1998). Here, not only are the stations are located in separate DMAs, but both are UHF stations. Moreover, as demonstrated below, abundant broadcast media exist in the WICS/WYZZ-TV overlap area. Accordingly, SCI requests a similar nine-month duopoly waiver to permit its orderly divestiture of one of the stations in order to come into compliance with the duopoly rule.

Moreover, SCI's proposed acquisition of WICS is part of a larger transaction involving the assignment of the licensees of seven television stations throughout the country. As the

^{11/} Specifically, the overlap area created by the intersection of the Grade A contours of WYZZ-TV and WICS will encompass 1,833 square kilometers and 39,179 people, which will constitute 9.11% of the population and 14.05% of the area within the Grade A contour of WICS and 6.88% of the population and 14.04% of the area within the Grade A contour of WYZZ-TV. See IL-2 Engineering Study at Table 2. The overlap area created by the intersection of the Grade B contours of the stations will encompass 6,519 square kilometers and 106,124 people, which will constitute 18.1% of the population and 29.8% of the area within the Grade B contour of WICS and 14.7% of the population and 30.3% of the area within the Grade B contour of WYZZ-TV. *Id.*

Commission noted in the Granite decision, the Commission previously has approved temporary duopoly waivers in cases involving Grade A and Grade B contour overlap that was much more substantial than in the instant case in order to facilitate multi-station acquisitions. See, e.g., Providence Journal Company, 12 FCC Rcd 2883, 2885-88 (1997) (temporary waiver granted where two stations in same DMA and overlap, including Grade A overlap, was nearly 100%); AFLAC Broadcasting Group, Inc., 12 FCC Rcd 3907, 3914-17 (1997) (temporary waivers granted in Mississippi and Georgia markets where stations in same DMA and overlap, including Grade A overlap, was nearly 100%); Argyle Television, Inc., 12 FCC Rcd 10737, 10739-42 (1997) (temporary waivers granted where overlap, including Grade A overlap, between Dayton and Cincinnati stations encompassed more than 90% of the population and almost 60% of the area of the Grade B contours of the two stations); Stockholders of CBS Inc., 11 FCC Rcd 3733, 3762-63 (1995) (temporary waiver granted where overlap, including Grade A overlap, between Boston and Providence stations encompassed approximately 90% of the population and approximately 80% of the area of the Grade B contours of the two stations).

2. Distinctness of the Markets

WICS and WYZZ-TV are located in separate and distinct markets. WICS is located in the Champaign & Springfield-Decatur, Illinois DMA, the 81st ranked television market, while WYZZ-TV is located in the Peoria-Bloomington DMA, which is the 110th ranked television market. Moreover, these mid-sized Midwestern cities are culturally and demographically distinct. Located in the Springfield, Illinois MSA, Springfield is the hometown of Abraham